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CHINA'S CRISIS

CHINA'S CRISIS

BY

LAWRENCE K. ROSINGER

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CONTENTS

Preface: Facing the Issues viii

PART I. POLITICAL CROSS-CURRENTS

I *Where is China Going?* 3
II *Unity — Key to Resistance* 11
III *Unity or Uniformity?* 25
IV *The National Government* 31
V *The Kuomintang* 38
VI *Generalissimo* 47
VII *Japanese Puppet* 58
VIII *Liberal Voices* 65
IX *Steps Forward* 72
X *Guerrilla Politics* 81
XI *Are They Communists?* 90
XII *Two Capitals Negotiate* 97

PART II. FIGHTING FRONTS

I *Japan's War in China* 115
II *The Chinese Soldier* 124
III *Toward a Modern Army* 131
IV *In the Rear of the Enemy* 139
V *Arms and Politics* 148
VI *China's War is Our War* 155

PART III. ECONOMIC CRISIS

I *Prices Unlimited* 159
II *Closed Roads to China* 166
III *Hoarder and Profiteer* 174
IV *How Much Government Control?* 180
V *Fate of China's Businessmen* 186

VI *Food and Politics* 194
VII *Guerrillas Under Blockade* 202
VIII *The New Countryside* 206

PART IV. CHINA'S PLACE IN THE WORLD

I *A New Power* 219
II *Imperial Ally* 227
III *Northern Frontier* 235
IV *Across the Pacific* 246

PREFACE: FACING THE ISSUES

PERHAPS more than most nations, China has suffered from being "typed." The sharp differences between China and the West in race, language, tradition, and international standing have frequently led to ignorant reactions in other countries. Just recall, for example, the Chinese as they used to be caricatured in popular American mystery novels — sinister Orientals whose long waxed fingernails were a symbol of "ways that are dark" and "tricks that are vain." This picture, of course, was not current among the well-informed, which is simply another way of saying that it was disbelieved by thousands while it influenced millions.

Today the "sinister Dr. Fu Manchu" is dead, but many an old illusion about the Chinese still lives — the illusion that time means nothing to them, that they always absorb their conquerors, that they are a nation of pacifists. Like all stereotypes of peoples, these contain a grain of truth; yet each is basically unsound as a guide to what is happening in China today.

Ask the Chinese soldier, beaten back on many fronts and desperately in need of supplies, whether time is of no importance. Ask the Chinese bank clerk who is still wearing the suit he bought in Shanghai seven years ago whether it makes no difference to him how long the war lasts. Ask the Chinese peasant whose family has been bombed, raped, and plundered whether he looks at Japanese troops with equanimity because "China always absorbs its conquerors." And ask the Chinese scholar whether in the last three decades — or the last three hundred — "pacifist" China has fought fewer civil and foreign wars than other nations.

Many of these stereotypes are not so popular as they used to be, but in recent years new ones, equally far from the truth,

have been current. Once Americans underrated changes in China and stressed the survival of that country's outworn past. Later the pendulum swung to the other extreme: progress was exaggerated, goals were mistaken for achievements, and too few distinctions were made between what China was and what it might become. In the early years of Chinese resistance to Japan much unjustified scepticism was expressed about China's war effort. Afterward many Americans cast caution to the winds in judging the accomplishments of our Far Eastern ally. They were ready to believe that China was a democracy (in fact, always had been one); that it had built up in its deep interior a mighty modern industry; that immediately following the war it would be *the* dominant power in Asia; and that the Chinese Government was always right in any difference of opinion with the United States and Britain.

It was pleasant to believe these new stereotypes about China. They gave a sense of security, a feeling that no matter what happened elsewhere everything would at least turn out right in Asia. They ministered to American pride and idealism, for we were pleased to think that China was an apt pupil of the United States. And they represented a kind of penance for the deficiencies of American policy toward China both before and after Pearl Harbor. But psychological factors were not the whole story. For Chinese censorship was on the job, rigidly restricting correspondents in Chungking in what they might tell their readers at home.

Undoubtedly the long and just fight waged by foreign supporters of China to "sell" China's struggle to the American people and government had much to do with the situation. In 1937–8, these friends played up every promising feature of China's war effort in order to combat American scepticism. But this was more than a manœuvre in a campaign, since China at that time was unquestionably taking great strides forward in both politics and war. Those were the days of growing Chinese unity, the days before the resurgence of political friction and the rise of inflation. It was literally true

that no one could then set limits to the progress China might make. And in the depressing atmosphere created by Chamberlain's appeasement policy and American oil shipments to Japan, it was heartening to see a so-called "backward" nation rise up and defy the aggressor successfully.

About 1939–40 — especially after the Nazi war machine had rolled across various European countries — China's magnificent struggle came to be widely appreciated in the United States. The battle for American opinion had been won. Yet precisely at this time China began to show disturbing signs of economic, political, and military deterioration. By an ironic twist of history a questioning attitude on the part of Americans vanished just when it really became necessary.

From 1942 on China's precarious position has been a constant topic of discussion among professional observers of Far Eastern and world affairs. Yet for a long time the discussion was a private one, open to the experts, but in the main closed to the American people. It is true that the subject was referred to in a number of books as well as in the press, that in the summer of 1943 several outspoken articles by American commentators caused considerable excitement both here and in Chungking, and that American criticism of Chinese conditions mounted in 1944. But it was not until the recall of General Stilwell from the China front in October 1944 that "the lid blew off."

Then it was really brought home to the American public that China — this mighty nation of more than 400,000,000 people, living in a vast territory stretching from the borders of Siberia to the frontiers of Indo-China, Burma, and India — is beset by problems of a most critical nature, and that easy-going optimism about China's future is completely unjustified. Americans began to understand, as they had not hitherto, that while China has great potential power, the realization of this strength depends upon the solution of crucial political, economic, and military questions. In the sphere of government, for example, there is continuing conflict between the

Central Government at Chungking and the Chinese Communists, who are the leaders of large sections of North and Central China. At the same time a grave struggle is taking place between reactionary and progressive elements inside Chungking territory. Militarily, China faces not only technical difficulties in supplying its forces, but also the social problems of giving its troops decent treatment, initiating a fair conscription system, and creating a popular army under sound leadership. Economically, there is a desperate need for measures to raise production, to establish a more equitable system of taxation, and, in general, to check soaring prices and protect the country to a greater degree from the effects of inflation. What is at stake in all these problems is whether China's war effort shall continue and gather strength or disintegrate further, as it is doing at present.

Today American disillusionment about China is growing rapidly, and there is grave danger that in recognizing what is wrong with the Chungking régime the American public may forget the continuing importance of our alliance with the Chinese people. No matter how disheartening current developments in China may be, it is in the fundamental self-interest of the United States to work for a strong, progressive China and not to write off China as a factor in the war.

The present disillusionment is a logical sequel to the excessive optimism that preceded it. The author therefore feels that the following paragraphs, quoted from a preliminary version of this preface written in November 1943, may be of interest to the reader:

"A good many people fear that if the full story of inflation, military deterioration, and political friction is told, widespread scepticism will result, undoing the long years of work that went to build American confidence in China.

"But if China's present and future are really beset by many perils, then the American people will surely learn the facts sooner or later. The only alternative to a timely explanation is a sudden dousing in the icy waters of disillusionment a year or two from now.

"There is little danger that we shall not appreciate China's contribution to the war against the Axis, if we have a well-rounded view of China. The peril of disillusionment really lies in expecting more of China than it is likely to give and in romanticizing the conditions that exist there. China is a rising nation in the process of development. It has thrown off some of the outmoded institutions and practices that once weighed it down. But it still has an enormous job of modernization before it — a job that will test the ability of its leaders and people to the utmost. Surely it is no service to such a country to overwhelm it with adulation and deprive it of constructive criticism."

Today the period of adulation is at an end, but the need for a well-rounded, realistic view of China still exists. To furnish such a view is the object of this book, which is dedicated to the description not only of things that have been accomplished by China in seven years of war, but also of things that remain to be done. It is devoted to frank speaking about retrogression as well as progress. For only a realistic approach, neither oversanguine nor cynical, can furnish a sound basis for American Far Eastern policy or place China's years of resistance in proper perspective.

L. K. R.

New York
April 11, 1945

CHINA'S CRISIS

Part I.

POLITICAL CROSS-CURRENTS

I

WHERE IS CHINA GOING?

"This world tendency [toward democracy] is like the Yangtze River, which makes crooks and turns, sometimes to the north and sometimes to the south, but in the end flows eastward and nothing can stop it. Just so the life of mankind has flowed from theocracy to autocracy and from autocracy now on to democracy, and there is no way to stem the current."

SUN YAT-SEN, *San Min Chu I: The Three Principles of the People,* translated by Frank W. Price (Shanghai, Commercial Press, 1932), pp. 179–80.

SOME AMERICAN FRIENDS of China have felt embarrassed in recent years over the question of whether China is a democracy. For here is a country which was the first to enter into armed struggle with the Axis, a country whose prolonged resistance under incredibly difficult circumstances has made it one of the Big Four of the United Nations. To suggest that China is not a democracy has seemed a serious affront to an invaluable ally as well as a reflection on the cause for which we are fighting.

No one familiar with the Chinese scene would maintain that the government of Chiang Kai-shek at Chungking is a democratic one. No popular elections are held, public discussion of political and economic issues is inhibited, censorship is severe, and the country is in the stage of one-party, pre-constitutional rule. There are, it is true, various explanations of this situation — some quite sympathetic to the government — but that these are the facts can hardly be denied.

It is frequently asserted, however, that while China does not yet have political democracy, it has always been a social democracy — perhaps in some respects more so than the

United States. Political democracy, it is suggested, merely represents the next stage of China's development. As proof of China's age-old democratic spirit reference is sometimes made to the philosopher Mencius, who asserted in the fourth century B.C.: "The people are the most important element in a nation." [1] Or both Mencius and his great predecessor, Confucius, are quoted as declaring that a ruler must show virtue in his administration to merit popular support. It is also argued that the Imperial Government in pre-Republican China had very little to say about the life of the people, since to a great extent power resided in the villages. And it is pointed out that Imperial China was long ruled by a bureaucracy chosen under a civil service examination system, i.e. according to merit, not simply birth or property.

Each of these statements is in itself substantially correct, but how misleading to conclude that they add up to democracy! Sun Yat-sen, China's great nationalist leader, commented acutely: "China from the beginning of her history has never put democracy into practice . . . democratic ideas appeared . . . only in theoretical discourses and did not develop into reality." [2] Confucius and Mencius, far from being democrats, were supporters of a feudal social order. Both desired an aristocratic type of government with clear distinctions between the rulers and the ruled, but realized that the feudal princes could hope to survive only if they reformed themselves.

Undoubtedly Imperial China was decentralized, but decentralization reflected China's economic limitations, not its democracy. No matter how much the Emperor might have wished to direct affairs throughout the country, his ambition could not have been satisfied. Without railroads, automobiles, telephones, and telegraphs no one could supervise in detail the life of so vast a territory. The Emperor was therefore content if the localities met their grain quotas and did not seek

[1] James Legge, *The Chinese Classics* (London, Trübner, 1861), Vol. II, p. 359.

[2] Sun Yat-sen, *San Min Chu I: The Three Principles of the People*, cited, pp. 169, 171.

to rebel. The functions of his government consisted largely of constructing public works, suppressing disorders at home, and repelling foreign attacks or waging war abroad. As for the examination system — it was in theory open to all, but the average family could not hope to educate one of its sons to take the examinations. Since years of study were required, rich men's sons were in the best position to secure the necessary knowledge.

If the Imperial Government had little to do with the day-to-day life of the people, most of whom were peasants on the land, this does not in itself tell us what village life was like. Is it true, as some say, that China has had a classless society? Or that the peasants have been well off because there are few large landowners?

Superficially, village life was democratic. The people of the village could discuss political matters with some freedom, and in theory — seldom in practice — they elected their local headmen. But the headmen were far more likely to speak for the gentry and allied groups than for the peasants. And at the same time that a measure of free speech existed, the Manchus enforced a careful system of group responsibility under which an entire family or village could be punished for a misdemeanour of a single member. This was a method of making certain that political thoughts did not lead to action. In reality, the peasant had no voice in government.

Large landowners have not been so common in China as in many other countries, but tenancy has certainly been widespread, and the land system has been oppressive and exacting. As a scholar sagely observes: "A landowner need not possess half a million acres to be extortionate; in fact slender means may invigorate his greed." [8] There is also every evidence that China's upper classes have had their full measure of class-consciousness and have felt a strong sense of superiority to the mass of the people. The idea that in village life a wealthy

[8] E. V. G. Kiernan, *British Diplomacy in China, 1880 to 1885* (Cambridge, Cambridge University Press, 1939), p. 236.

landowner is just "one of the boys" is a myth pure and simple. Near the leading cities — especially Shanghai — the big landlords frequently do not live in their villages, but use the rents collected by their agents to enjoy the night life and other pleasures of the metropolis. The customary attitude toward the lower classes is often one of brutality, at least by American standards. In the last analysis, China has had little class fluidity even though individuals have sometimes risen from lowly to high positions.

But instead of merely generalizing about the Chinese village, it may be instructive to get a glimpse of an actual village as it existed in 1940. Our guide is Generalissimo Chiang Kai-shek's eldest son, Chiang Ching-kuo, who as Administrator of the Fourth Administrative District of Kiangsi province instituted a program of local reforms after finding the district "saturated with opium-smoking, gambling, prostitution, and banditry, and the overpowering dominance of the feudal forces of the landed local political bosses and wicked gentry." The following story of his experiences on a trip through the district indicates how undemocratic it is possible for a Chinese village to be. He writes: [4]

"Tang Lao-mou is worth half a million dollars. The entire region has been in his tight grip. His family has never contributed men or money to the public. All the common people were afraid of him and nicknamed him 'The Tiger.' It was said that local government could never function without the elimination of the Tiger.

"Today I resolved to settle this case. As soon as I got over the mountain I started to make inquiries and tried to get a guide. But the people in this region are very tough and stubborn and declined to guide any stranger. Finally a farmer who was perhaps somewhat drunk was found. But he conducted us only half way and then bolted, despite our pleadings. Later we found the Chief of the Pao [a sub-division of a county], and I was introduced to him as the District Administrator. The Pao Chief hastily greeted me and repeatedly apologized: 'My eyes failed to see the

[4] Chiang Ching-kuo, *Southern Kiangsi Today* [*Chin Jih Ti Kan Nan*], (Kanhsien, Kiangsi; introduction dated September 15, 1940), pp. 16–17.

greatest mountain!' It was found out later that the Chief had mistaken us for bandits.

"The Pao Chief was also somewhat afraid of the Tiger. So I bade him leave us when we were approaching the Tiger's house.

"Four battle towers surrounded the Tiger's mansion. Inside the mansion there were vegetable gardens and pig sties. It was almost a world by itself. When we entered the gates we were told to see the Pao Chief if there was any official transaction, and that the Tiger would not see us. But we managed to force our way in. We rounded up all the members of the household and locked them up in one room. Meanwhile the Tiger was questioned about the number of rifles in his possession. He said he had only one, but refused to surrender it. A search was conducted, and in one tower alone thirty-three rifles and a quantity of cartridges were found.

"Finally we brought the Tiger along with us. The common people were overjoyed when they saw the Tiger under arrest. But when they were asked to help in carrying the things, only one farmer volunteered, while the rest were still dominated by fear of the Tiger."

That conditions of this sort are not exceptional — even though the precise situation may not be duplicated in many places — is suggested by the following description of the military power of the landlords in Kiangsu province some years before: [5]

"In the northernmost districts of the province, those landlords owning 10,000 to 20,000 *mow* each [one mow is one-sixth of an acre] usually live in mud castles with armed guards, and their tenants are scattered in small villages within a two-mile radius, the castle acting as a trading centre for the whole community. Some of these big landlords maintain a rather large armed force, with 30 to 50 riflemen in addition to those armed with old-fashioned weapons. Often these forces are not the local tenant peasants but have been recruited from bands of scattered troops resulting from civil wars. Against these armed forces of the big landlords, the District Magistrates are politically impotent."

If China is not a social democracy today, there is certainly no reason to suppose that it was in the past, when the forces of political democracy were practically non-existent. But now that the point has been made, it can no longer be misleading

[5] *Agrarian China* (Shanghai, Kelly and Walsh, 1938), p. 11.

to admit that certain traditional features of Chinese life and government have at least tempered the operation of autocratic rule. For example, it is worth noting — since even the myths of a country are important — that China's legendary model rulers, Yao and Shun, both abdicated voluntarily in favour of persons who were not their sons, instead of keeping the imperial power within their own families.

Furthermore, however despotic a Chinese emperor might be in practice, Chinese political theory placed limitations on his power. It was held that in order to rule he must have the "mandate of heaven," and that if he ruled badly, the mandate would be taken from him and there would be revolution. Chinese emperors did not approve of revolution any more than rulers have in other countries, but it is significant that the right of revolution under certain circumstances found a place in the official political philosophy. In fact, the traditional accounts of the first two Chinese dynasties report with approval that they were overthrown because the monarchs had become corrupt.

Concerning China's present political situation, it must in all fairness be granted that no nation could have become a modern democracy in the time at China's disposal and under the conditions it has faced. It took the American colonies fourteen years (1775–89) to win their independence and establish a functioning representative government, even though Americans were already schooled in representative institutions. Some thirty or forty years more were required (let us say, until the election of Jackson) to realize political democracy for the white male population. Several decades later the country had to pass through four years of civil war to end the institution of slavery. As for the spirit of the slave system, it is obviously still strong in both the South and the North. The case of France is even more striking, since the democratic movement which appeared at the time of the French Revolution did not achieve substantial success until roughly a century later.

Even though China is not a democracy at present, it contains within itself great democratic forces and potentialities. One token of this is the democratic nature of the official program, no matter how much it may be contradicted by the actual situation. It is noteworthy that in genuinely Fascist states the rulers do not find it necessary to claim to be democrats, but rather exult in their contempt for democracy. When a dictatorial ruling party holds to a democratic theory, this suggests, at the very least, that no other appeal can prove satisfactory to its people. Still more important is the fact that the new China is being born as the result of a great liberation movement, a movement which will not come to an end simply because national independence has been won. This puts China in a quite different class from a country like Japan, which won its place in the modern world without experiencing a thoroughgoing popular upsurge.

The most significant question to ask about China, therefore, is not whether it is a democracy but whether it is moving in the direction of democracy — and how rapidly. These are the crucial issues: Is it possible that the great freedom movement of the Chinese people may be thwarted or frustrated by reactionary forces? Is the development of political democracy in China keeping step with the country's needs in the war and post-war period?

These problems will be dealt with in succeeding chapters, but several of their main features have been summed up by Sun Yat-sen and two members of his family. Sun himself posed the fundamental issue almost two decades ago when he declared: "We revolutionists must not treat the people of our nation as Japan is treating Korea, and wait for the people to fight for democracy before we give democracy to them." [6] In October 1943, in a message on the thirty-second anniversary of the Chinese Republic, Mme Sun, his widow, observed with regard to the method of realizing democracy: " We must re-

[6] Sun Yat-sen, *San Min Chu I: The Three Principles of the People,* cited, p. 300.

member that progress toward democracy is like learning to swim — one learns not by talking about it but by getting into the water." [7] And early in 1944 Sun Fo, President of the Legislative Yuan and son of the nationalist leader by his first marriage, commented in concrete terms on the slowness of political development. "We have," he said, "already spent sixteen years in political tutelage. Yet there is not a single councillor of the *hsien* [district] People's Political Council or a *hsien* administrator elected by the people." [8]

These statements summarize three of China's great political needs at the present time: to move toward democracy through swift leadership by the government, operating in harmony with the desires of the people; to give the people actual power instead of merely talking about preparing them for democracy; and to carry democracy as rapidly as possible into the district, the lowest political unit, close to the heart of China's national life.

[7] *New York Times,* October 10, 1943.
[8] Sun Fo, *China Looks Forward* (New York, John Day, 1944), p. 111.

❀ II ❀

UNITY – KEY TO RESISTANCE

"If we were convinced that the Kuomintang could cope with the task of saving the country alone, all we would have to do is join the Kuomintang. And if we were convinced that the Communist Party could cope with this task by itself, all we would have to do is join the Communist Party. But we insist on a united front because the great cause of resisting Japan and saving the country is beyond the powers of any one party or any one group alone."

Statement made on July 15, 1936 by a group of leaders of the National Salvation movement.[1]

TO TALK OF DEMOCRACY is to talk of unity, for China cannot be truly united unless the existence and opinions of all patriotic groups are respected. To win the fullest measure of popular support for the war, it is not enough in China — or anywhere else in the anti-Axis world — simply to tell the people that they must fight for their country. The appeal to patriotism must be given concrete meaning if the average Chinese is to feel the strong pull of modern nationalism. The peasant whose rent has been reduced by a guerrilla government or whose children have been taught to read and write in a government school is receiving a sound education in loyalty to China. He is learning that to preserve China as a nation is the same thing as promoting his own well-being. For that kind of nation he will surely be willing to fight and die.

In the United States, whose firmly established independence rests on a population long trained in the spirit of patriotism, it is sometimes said that the people need no "inducements" to defend their country. Yet it is foolish to deny that the temper

1 *China: The March Toward Unity* (New York, Workers Library Publishers, 1937), pp. 56–7.

of the American nation at war is deeply affected by such matters as the cost of living, the treatment of the armed forces, and the maintenance of democratic government. If an American general's slapping of two hospitalized soldiers had been the rule and not an isolated exception, or if the 1944 Presidential election had been postponed and Republican objectors thrown into jail, the efficiency of the American war and home fronts would surely have suffered. It is only because many of the democratic characteristics of our war effort are taken for granted that they are not recognized as "inducements."

China's position, when Japan attacked in July 1937, was quite different from that of the United States after Pearl Harbor. China was not yet fully independent, the mass of the Chinese people still regarded modern nationalism as a new idea, and the Central Administration at Nanking did not have a clear mandate from the entire country. Many obstacles stood in the way of a united China. Family and provincial loyalties competed strongly with patriotism. The tradition of decentralization blocked the road to centralized government. Railways, highways, industries, and other elements of economic power that bind a country together were poorly developed. The unity of varied political groups which had been brought together only under the duress of foreign aggression was new and untried. And, most immediate and threatening, there was the Japanese Army, marching forward to seize China and wipe out the progress made with so much difficulty and heartbreak in previous years. . . . That there had been progress could not be doubted, as a glance at the events of the preceding quarter-century will indicate.

In 1911 Chinese revolutionaries had overthrown the imperial Manchu government and established a republic. In these events Sun Yat-sen and his followers played an important part. But Sun's group — which later developed into the Kuomintang or Nationalist Party — was not strong enough to control the forces unleashed by the fall of the empire, although it did succeed in laying the first foundations of popular government.

China soon plunged into widespread civil war, with a host of war-lords fighting each other from provincial bases. World War I accelerated China's modern economic development, and before long the nationalist movement increased in strength. The year 1919 saw an outburst of student patriotic activity. With the growth of factories, labour unions made their appearance. In 1921 a Communist Party was formed, and at the beginning of 1924 the Kuomintang was reorganized. Its new program, championed by Sun, involved co-operation with the Communists and the Soviet Union, as well as strong emphasis on the needs of China's peasants and workers.

With the help of the U.S.S.R., a revolutionary, nationalist coalition had been formed to defeat the war-lords and end the special privileges of the foreign powers. Sun Yat-sen died in March 1925, but the coalition grew, sweeping aside all opposition. The revolutionary armies, under General Chiang Kai-shek, marched northward from Canton in 1926 and 1927, taking over the leading cities of Central China — Hankow, Shanghai, and Nanking. Later the nationalists marched on to Peiping and gave the country a greater measure of territorial unity than it had enjoyed in many years.

In the meantime serious divisions had appeared in the ranks of the Kuomintang-Communist united front. Even before the nationalist armies began their Northern Expedition in 1926, conservative elements, led by Chiang Kai-shek, had taken steps to safeguard their position. Disturbed at the spread of liberal and radical ideas, the growth of labour unions, and the mushrooming of peasant organizations bent on rural reform, they asked themselves whether these were the purposes they had in mind, or whether they had not looked forward to an independent China in which the people would be docile. With the attainment of some of their main geographical objectives, such as the capture of the great financial centre of Shanghai in March 1927, they decided that conditions were favourable to break with the Left and suppress it. They were encouraged in this course by the attitude of the foreign pow-

ers, which feared the effects of nationalism on their economic and political interests in China, and were anxious to end the alliance between the Kuomintang and the Russians.

There followed the mass suppression of virtually all liberal and radical groups by the newly organized Nanking Government of the right wing Kuomintang. Thousands upon thousands of students, workers, and peasants who had been active nationalists were killed or imprisoned for their opinions. The labour and peasant movements were smashed, the alliance between the Kuomintang and Communist Party was ended, and Nanking broke off relations with the Soviet Union. It would be an error to think that this policy of suppression was directed solely against the Communists, for the name *Communist* was applied indiscriminately to include liberals and non-Communist radicals. What happened in 1927 was much more than a break between two parties. The conservatives, in effect, "re-reorganized" the Kuomintang, undoing the first reorganization carried out under Sun Yat-sen some three years before. While the dead leader lay mouldering in his grave, others invoking his name sought to make the Kuomintang a party without a liberal or left wing. In the new Kuomintang there would have been no place for Sun Yat-sen.[2]

The Nanking Government of 1927–37 was based on the lower Yangtze valley, and its power radiated outward, becoming progressively weaker, the more removed an area was from this central zone. In the outlying provinces, north, west, and south, the régime's control was at first quite nominal. On the other hand, Nanking ruled a larger area than any Chinese Government since the break-up of the Republic, and man-

[2] Speaking before a training class of the Kuomintang some time in 1944, Sun Yat-sen's son, Sun Fo, declared that his father's "followers were naturally of the Left. . . . After the Northern Expedition of 1926 there was internal dissension in the party. . . . To oppose the Communists we opposed the Left and identified ourselves with the Right. This has been the great error committed by our party. From our initial mistake we have developed reactionary tendencies for the last decade. After the expulsion of the Communists, and in order to guard against 'outsiders' we have even stifled democratic institutions." *New York Times,* August 27, 1944.

aged gradually, by a combination of diplomacy and force, to extend its influence into provinces more or less closed to it, such as Kwangtung, Kwangsi, Kweichow, Yunnan, and Szechwan. Particularly during 1935–7 the Central Administration promoted the construction of railways and highways, the extension of the national currency, and other economic developments calculated to draw the various parts of China together politically. But what it gained in these spheres was more than lost in the North, where the Japanese had already taken over Manchuria and were looking for new worlds to conquer. The pace of internal consolidation could not match that of external aggression.

This was especially true because of the civil war that was being fought back and forth across half a dozen provinces. Although driven underground in the greater part of Kuomintang territory, the Communists had won a substantial geographical base for themselves in Kiangsi province, with subsidiary bases elsewhere. The first Soviet had been set up toward the end of 1927 — the very year in which the united front was broken — and in November 1931 a Soviet government was created in Kiangsi, with Mao Tse-tung as Chairman. The policy of the Chinese Soviet Republic was one of land expropriation and rural reform, indissolubly linked with the social, political, and military techniques of guerrilla warfare. The Communist armed forces were organized in the Chinese Red Army, led by Chu Teh.

After September 1931, when the Japanese invaded the rich north-eastern provinces of Manchuria, it became increasingly obvious that civil war was incompatible with China's development as a nation. A choice had to be made between unity at home and capitulation to the aggressor. In effect, a decision had been reached, for during these years Nanking constantly appeased Japan, while launching a number of campaigns against the Communists. Finally, after hundreds of thousands of troops and a considerable number of airplanes had been used against them, the Communists withdrew from Kiangsi

in October 1934 and began a long trek to the North-west. This Central success was achieved at a time when, in the Foreign Ministry of Wang Ching-wei, China was abjectly enduring almost every conceivable insult from the Japanese militarists.

The Central authorities later maintained that they yielded to Japan only because they were not yet prepared to fight. But if it had been simply a matter of preparation, the process could have been hastened by Nanking's taking steps to end civil war. Still more significant is the fact that the government did everything it could to suppress actions of an anti-Japanese nature. Yet even in high places there were some men who opposed internal conflict and wanted to resist Japan. In the early '30's three Northern generals, headed by Feng Yu-hsiang, launched operations against the Japanese; but Nanking mobilized troops in opposition, thereby helping Japan to bring about their defeat. Late in 1933 important Kuomintang leaders initiated a revolt in Fukien Province, having previously reached a neutrality agreement with near-by Communist forces. This rebellion was put down. One participant in the uprising was Tsai Ting-kai, a patriotic general who had directed an amazing struggle against the Japanese at Shanghai early in 1932. Although receiving little support from Nanking, Tsai and his men had demonstrated that Chinese troops could oppose the invader effectively.

Defenders of the Central Government argued that China could not resist unless the country was united, and that unity could be attained only by crushing the Communists. But by the end of 1935, after the Communists had emerged unbroken in the North-west despite a gruelling march of over six thousand miles from Kiangsi, it was growing increasingly clear that Nanking could not defeat them. Time after time the government forecast the early extermination of the "remnant bandits," as the Communists were called. And still the Chinese Red Army survived the attacks of provincial and Central troops.

As Japanese aggression mounted, articulate patriotic ele-

ments in China's cities began to reassert themselves despite official measures of suppression. It was this popular pressure that ultimately forced the government to abandon its appeasement policy. It was not the War Minister, General Ho Ying-chin, who decided to fight, but rather the exiled Manchurian troops in the North-west, bent on finding a way to recover their home provinces, while Ho held secret parleys with the enemy. Nor was it the Minister of Education who counselled resistance, but the students of Peiping, willing to endure the policeman's belt in order to demonstrate for national defence. And it was not Chiang Kai-shek who led the nation, but the nation that led Chiang Kai-shek. Resistance was created by the will of the Chinese people — not all of them, to be sure, but enough of them to tip the scales against appeasement.

The first major steps toward internal unity were taken on August 1 and 31, 1935 when the Chinese Communist Party issued two appeals for national resistance to Japan. It was characteristic of these declarations, written in the heat of civil war, that they regarded unity as something to be achieved in battle against both the Japanese and the Nanking Government. To the Communists the Nanking leaders were traitors, just as, to Nanking, the Communists were bandits. It was not long, however, before the issue of civil war and resistance became more than a question between two parties.

On November 1, 1935 a Chinese reporter shot Wang Ching-wei, the Nanking Foreign Minister, presumably because of Wang's pro-Japanese policies. The following day student groups in Peiping began to make themselves heard by petitioning Nanking for civil liberties and measures preparatory to resistance. And on a memorable December 9 the Peiping Students' Union launched great demonstrations against Japanese plans to separate five of China's northern provinces from the rest of the country under cover of a false " autonomy " movement. Braving intensely cold weather and the use of force by the local police, middle school and college

students demanded that the government make known its foreign policy, reveal all previous negotiations with Japan, grant civil liberties, and bring the civil war to an end in order to resist Japan. The patriotic movement swept China like wildfire, spreading from city to city, and from one section of the population to another. By the end of May 1936 an All-China Federation of National Salvation Unions had been established. Distinct from the various parties, this body advocated the cessation of civil war and the launching of national resistance. It proposed that all patriotic groups draw up a joint program of resistance.

By this time it was becoming clear to the Communists and other elements outside the government that, however stubborn Nanking might be in its policy of appeasement and civil war, China could not hope to fight Japan successfully unless Nanking was won over to the idea of resistance. For if the Central régime was unable to wage war against the Communists and the Japanese at the same time, then it was even more inconceivable that the Communists should be able to overthrow Nanking — much less follow this up with an effective struggle against Japan. The fact was that the two main parties in China were too weak to fight the foreign enemy by themselves and too strong to be destroyed by each other. The only alternative to their joining forces was to be crushed separately by Japan.

Realizing this, the Communists gradually modified their political and economic program. A more friendly attitude was adopted toward merchants and landlords, and it was indicated that the Soviets would be willing to work with Chiang Kai-shek if he stopped fighting them. But many serious problems lay ahead.

In May and June 1936 three provincial war-lords — Pai Tsung-hsi and Li Tsung-jen of Kwangsi, and Chen Chi-tang of Kwangtung — initiated a move to send an armed expedition northward to fight the Japanese. They urged Nanking to launch national resistance; but it was clear that if Nanking

refused, and the proposed expedition materialized, the effect would be to precipitate a new civil war. The motives for this war-lord move were varied. Pai and Li, who had allowed the National Salvation movement to develop in their province, seemed genuinely concerned about the Japanese threat. Chen was an old-line militarist who had sought to smash the student movement in Canton in the very months that he was planning his "patriotic" opposition to Nanking. The element in common among the three generals was the difficult economic and political situation created for them by the Central Government's extension of its influence in several neighbouring provinces. To demand that Nanking resist Japan might serve to reduce Central pressure, especially if the pro-resistance movement in Nanking territory should give its support to Kwangtung and Kwangsi. And if Nanking should actually be brought to fight Japan, the pressure might be lifted entirely. At least, so the war-lords must have reasoned.

As things turned out, the patriotic movement had too much political sense to become the tool of the southern militarists. The National Salvationists, for example, withheld support, although expressing approval of the demand for national resistance. The main point made by the popular groups was that the differences between the parties in the dispute must be settled amicably and not lead to civil war. This hope was realized. Nanking handled the outbreak skilfully, if in a traditional manner, by bribing certain subordinates of Chen Chi-tang in order to cast him aside, while incorporating the patriotic Kwangsi leaders in the structure of the Central Government. The effect was to increase the area of Central influence and the unity of the country.

By the fall of 1936 leading elements in Chinese life were supporting the resistance movement. The Communists and students had been joined by merchants and bankers. It is true that the great mass of the Chinese people was inarticulate, but in each section of the population there were some who came forward and spoke for China, realizing that only through

armed struggle against Japan could their own existence and that of the nation be protected. The trade of the merchants was threatened by Japanese smugglers; the land of the peasants and livelihood of the workers were endangered by Japan's armies; and even the landlords, with the largest stake in the existing social order, felt the heavy hand of the invader wherever he appeared. But most active were the students, for whom there could be no decent or honourable future except in the creation of a brave new China that would know how to make proper use of Chinese patriots and their talents.

The growing unity of the people caused the government to stiffen its public attitude toward Japan; but — swayed by the spirit of civil war and the views of defeatist, pro-Japanese influences in its midst — Nanking was still moving very slowly. The forces of reaction seemed too powerful to be budged by ordinary pressure. For example, in December 1936 Chiang Kai-shek visited Sian in the North-west to urge Chang Hsueh-liang, the former Manchurian war-lord, to resume his anti-Communist campaign. Chang's poorly paid Manchurian units had been defeated some time before in battle with the Communists. Subsequently, a truce had been concluded, the opposing forces had fraternized, and the city of Sian — Chang's headquarters — had become a stronghold of anti-Japanese sentiment. When Chiang Kai-shek arrived on the scene, he found that he could not move Chang or his officers to resume the civil war. His final word was, in effect, to give them a choice between fighting the Communists and being transferred to the South, still farther away from their Manchurian homeland. Their reply was to seize Chiang on December 12.

The "Sian rebels" made a series of demands on the Central Government. They asked for the reorganization of the Nanking régime to include all parties, cessation of civil war, release of seven National Salvation leaders arrested in Shanghai for patriotic activities, and the freeing of all political prisoners. They also requested freedom for the patriotic movement,

the right of popular assembly, the carrying out of the last testament of Sun Yat-sen,[3] and organization of a National Salvation Conference. Chang Hsueh-liang did not wish to harm Chiang, but some of his radical followers felt differently.

Into this dispute between the Central Government and its own forces the Communists now entered. Although their ideas had had a marked influence on Chang Hsueh-liang and his men, they had not been involved in any way in the plans to detain Chiang, and after his detention they did their utmost to effect his release. They could have made political capital out of the seizure of the man who had been their bitter enemy for ten years. And had they given the word, he would certainly have been killed by hot-heads among Chang Hsueh-liang's officers. But, aware of the fact that only Chiang could lead a united China, they preferred to demonstrate their sincerity by working for his freedom. At the same time they had an opportunity to confer with him and to attempt to carry forward unity discussions that had been launched before the Sian affair. When Chiang was finally released he undoubtedly had a clearer understanding of their program and the possibility of working with them.

After Sian the Generalissimo became the symbol of a new unity of the Chinese nation. There were still many difficulties to overcome, despite the broadening of Chiang's own horizons, for the pro-Japanese elements led by Wang Ching-wei were doing everything in their power to prevent an agreement with the Communists. But the Japanese were too insistent on aggression and the Chinese people too determined not to become a "lost nation" for defeatism to be victorious. Of their own volition the Communists carried out further modifications of policy in the areas under their control; and Nanking, for its part, remained at peace with the Red forces in the

[3] Sun Yat-sen's last testament, drawn up shortly before his death, is a brief document urging his followers to continue the work of the nationalist revolution in accordance with his principles.

North-west, sent them food and supplies, and agreed that Communist delegates should attend a constitutional convention scheduled for November 1937.

Bit by bit the three main elements in Chinese political life were drawing together: the Kuomintang, the Communists, and the surviving war-lords. When Japan struck, on July 7, 1937, the process of unification was far advanced. Early in August some of the leading provincial militarists appeared in the Chinese capital to pledge support of resistance to Japan. Agreement with the Communists had already been reached, but public announcement was delayed. In August it became known that the Chinese Red Army had been reorganized as the Eighth Route Army and would engage the Japanese in the northern provinces. But not until the following month was unity formally established.

In a statement of September 22, 1937 the Communists announced that they had, "on the basis of peace and national unity and joint resistance against foreign aggression, reached an understanding with the Kuomintang." [4] They proposed three objectives for the nation:

"(1) Struggle for the independence, liberty and emancipation of the Chinese nation by promptly and swiftly preparing and launching the national revolutionary campaign of resistance with a view to recovering the lost territories and restoring the integrity of territorial sovereign rights.

"(2) Enforce democracy based on the people's rights and convoke the National People's Congress in order to enact the Constitution and decide upon the plans of national salvation.

"(3) Improve the well-being and enrich the livelihood of the Chinese people by relieving famine and other calamities, stabilizing the people's livelihood, consolidating national defense and economy, removing the sufferings of the people and bettering their living conditions."

They then explained the nature of their platform for co-operation with the Kuomintang:

[4] For full text see Lawrence K. Rosinger, *China's Wartime Politics: 1937–1944* (Princeton: Princeton University Press, 1944), pp. 96–7.

"The Communist Party of China fully realizes that this programme is likely to meet with numerous difficulties. The first obstacle will come from Japanese Imperialism. In order to deprive the enemy of all pretext for aggression and dispel doubts on the part of friends, the Central Executive Committee of the Communist Party of China solemnly declares the following in connection with national emancipation:

"(1) The San Min Chu-I [Three People's Principles][5] enunciated by Dr. Sun Yat-sen is the paramount need of China today. This Party is ready to strive for its enforcement.

"(2) This Party abandons its policy of overthrowing the Kuomintang of China by force and the movement of sovietization and discontinues its policy of forcible confiscation of land from landowners.

"(3) This Party abolishes the present Soviet Government and will enforce democracy based on the people's rights in order to unify the national political machinery.

"(4) This Party abolishes the Red Army, reorganizes it into the National Revolutionary Army, places it under the direct control of the Military Affairs Commission of the National Government, and awaits orders for mobilization to share the responsibility of resisting foreign invasion at the front."

On September 23 Chiang Kai-shek replied, welcoming the Communist statement as "an outstanding instance of the triumph of national sentiment over every other consideration."[6] The policies pledged by the Communists he described as "essential conditions for mobilizing our national strength in order that we may meet the menace from without and guarantee our own national existence." He went on to declare:

"If a citizen believes in the Three [People's] Principles and works actively for the salvation of the state, the Government should not concern itself with his past, but should give him opportunity to prove his loyalty in service to the Republic. Likewise, the Government will gladly accept the services of any political organization provided it is sincerely working for the nation's sal-

[5] The San Min Chu I, or Three People's Principles, is Sun Yat-sen's famous program for China — nationalism, democracy, and the people's livelihood (or economic security).

[6] For full text see Rosinger, *op. cit.*, pp. 98–9.

vation, and is willing under the banner of our national revolution to join with us in our struggle against aggression.

"The Chinese Communist Party, by surrendering its prejudices, has clearly recognized the vital importance of our national independence and welfare. I sincerely hope that all members of the Communist Party will faithfully and unitedly put into practice the various decisions reached, and under the unified military command that is directing our resistance, will offer their services to the state, fighting shoulder to shoulder with the rest of the nation for the successful completion of the Nationalist Revolution."

The references in this statement to the Communist Party's "surrendering its prejudices" and to the government's willingness to accept the services of organizations "sincerely" seeking national salvation reflected the antagonisms generated during the period of civil war. Nevertheless, the issuance of the two declarations marked the formal achievement of unity in the war of resistance against Japan.

III

UNITY OR UNIFORMITY?

"As the political situation deteriorates it becomes obvious that the Kuomintang needs more than ever the support of all the elements in China that are willing to fight the Japanese. The time has come for relaxation of party dictatorship and the formation of a coalition government."

BROOKS ATKINSON in the *New York Times,* August 16, 1944.

THE UNITY established in the summer of 1937 was a unity of virtually the entire Chinese people. During the first year of active resistance — from the Shanghai fighting of August–November 1937 until the fall of Canton and Hankow late in October 1938 — political conflict seemed more and more to be giving way to a new harmony. The whole nation was exhilarated by the knowledge that appeasement was at an end and China was fighting back. With official approval, the Eighth Route Army (later renamed the Eighteenth Group Army) established guerrilla administrations in the north, and guerrillas remaining in the Yangtze valley from civil war days were organized into the New Fourth Army.

A high point of wartime harmony was reached in the spring of 1938 when an extraordinary congress of the Kuomintang adopted a Program of Resistance and Reconstruction. This declaration pledged continued struggle against Japan, repudiated the activities of traitors, and promised adequate military, political, and economic measures in the prosecution of the war. The army was to receive greater political training, guerrilla warfare was to be encouraged, and the system of conscription was to be improved. The program also called for the establishment of a People's Political Council — a gov-

ernmental advisory body which would "utilize the best minds of the nation" — as well as "thorough reform in the central and local government machinery," swift development of local self-government, and severe punishment of corrupt officials. Full freedom of speech, press, and assembly were promised, provided that these rights were not used in a manner contrary to law or to Sun Yat-sen's Three People's Principles. In the economic sphere the congress recommended expansion of war-time production, encouragement of co-operatives, financial reforms, and measures against speculation and profiteering.

These and other provisions offered a sound basis for harmonizing the views of China's political groups. One plank in the program was carried out in July 1938 when a People's Political Council, representing all parties, held its inaugural session. But the other policies enumerated by the Kuomintang — except for certain proposals concerning foreign relations — more and more became empty promises. And the fundamental problem of creating a stable working agreement of the various political elements was not solved. In fact, it is the tragedy of China's resistance that internal political cooperation has been loose, unsatisfactory, and at the mercy of shifting events. For the popular movement that compelled the government to take up the struggle against Japan has at no point been able to force the régime to reorganize in genuinely democratic fashion.

Even at the height of China's war-time unity elements of friction existed. The Communist leader, Chou En-lai, for example, became a deputy chief of the Political Training Department of the National Military Council, but finally resigned, feeling himself powerless and only a nominal participant in the work of the Central Government. At the same time many Communist political prisoners of the civil war period continued to languish in provincial jails, and Communist publications were frequently subjected to severe censorship.

But Chinese liberals belonging to neither the Kuomintang

nor the Communist Party were the ones who really felt the heavy hand of suppression. In the spring of 1938 all non-Kuomintang youth organizations in Central territory were abolished by the simple procedure of refusing them the necessary registration with the government. The Kuomintang thereby snuffed out the life of the National Salvationist student movement which had played so powerful a part in arousing the country to the Japanese threat. The thousands of brave young men and women who had exposed themselves to danger, suffering, and even death to bring about national resistance were to have no organized voice in the war against Japan. They were offered but one distasteful possibility: to enter the regimented ranks of the officially sponsored San Min Chu I Youth Corps.

The government was following a policy of adopting as its own whatever measures were forced upon it, while proceeding with plans to destroy non-Kuomintang movements. What was at stake was the control and character of China. The loss of the coastal areas and leading cities made the administration increasingly dependent upon the landlord-dominated interior. And the beginning of the stalemate stage of the war late in 1938 opened up the prospect of a long, gruelling struggle. The Central leaders became desperately anxious that resistance to Japan should not be accompanied by social changes altering the relations between peasants and landowners in favour of the former, or bringing to the surface new popular leaders. It is to the credit of Chiang Kai-shek and his government that they have not made peace with Japan. But it is an unfortunate fact that from 1939 on, resistance to the enemy has been confined within a tightening strait jacket of political orthodoxy.

An important key to the attitude of the Chungking Government is to be found in its political theory. Many years ago Sun Yat-sen declared that the new China would pass through three stages: military rule, political tutelage, and constitutional government. In the first period the Republic would

consolidate itself by armed force; in the second, the country would be educated to practise democracy; and in the third, full constitutional rule would be instituted. Sun never used the idea of political tutelage as a weapon against other parties. In fact, while holding to this theory, he worked closely with the Chinese Communists and all patriotic elements willing to support the national revolution. But since 1927 his successors in the Central leadership have developed the view that the task of educating China for self-government belongs solely to the Kuomintang. From this they conclude that only when the stage of political tutelage is over can other parties hope to enjoy equal rights and a position of legality.

The effect of the prevailing theory is to make of the Kuomintang a superior body entitled to treat other groups in a condescending, contemptuous manner. This was presumably the attitude to which Sun Fo, son of Sun Yat-sen, referred, when he declared in February 1944 that the Kuomintang had "in the past assumed unwillingly the attitude and habit of a ruling caste." He added significantly: "We have come to regard ourselves as if we were the sovereign power entitled to the enjoyment of a special position and to the suppression of all criticism whatsoever against us." [1]

In view of these circumstances it was natural that when the going became difficult and China began to feel the effects of blockade, inflation, military destruction, and foreign appeasement of Japan, the Kuomintang would withdraw the democratic concessions made in the first flush of resistance. From 1939 on, the censorship was tightened, military friction with the Communists developed on a broad scale, secret police forces expanded their operations, and it often seemed that the country was on the brink of civil war. These developments need not have taken place, for Chungking had a choice between a policy of suppression and one of giving increased freedom in all spheres of activity in return for greater wartime sacrifices.

[1] Sun Fo, *China Looks Forward* (New York, John Day, 1944), p. 108.

It is sometimes argued, in Chungking's defence, that undemocratic measures are inevitable in war time. This is true only if the word *undemocratic* is used incorrectly to describe the greater measure of national control made necessary by war. But the example of the United States and Britain reveals that the maintenance of separate political parties and of the basic freedoms of speech, press, and assembly is fully compatible with a war against aggression. In fact, one must go farther and say that these things are essential to the spirit and vigour of the war effort of these countries. In China there is no valid reason why the Kuomintang should be the only legal party or why the country should be ruled in dictatorial fashion. All the evidence of the war years suggests that Chungking would fight Japan more effectively and create a sounder basis for the post-war period, if fundamental political rights were allowed.

The issue is essentially one of unity *versus* uniformity. True political unity involves the harmonization of differences, while uniformity requires the suppression of differences in favour of a single pattern. It is the latter that the Kuomintang has taken as its objective. That the problem is in no sense a new one, but really dates from the period of civil war, can be seen from the following admirable statement on the nature of unity made by a group of National Salvation leaders in a manifesto of July 15, 1936. Unity, as they pointed out at that time,[2]

"does not at all imply that the various parties and groups adhering to the united front must be abolished or dissolved. On the contrary, all parties and groups adhering to the united front can retain their own particular platforms, and both the government and the people, the center and the provinces may abide by their own opinions. Only on one point — resistance to Japan and the salvation of the country — must unanimity and mutual respect be strictly observed, leaving room neither for persecution nor attack. This is the only basis on which a united front can be established."

2 *China: The March Toward Unity* (New York, Workers Library Publishers, 1937), p. 57.

The principles of this statement might well be accepted by any country waging a just war. But they are absolutely essential for a country like China, which was involved in war while still undergoing a process of national unification.

This is the heart of the problem so often raised by Chungking: that relations with the Communists are bad, because the Central Government cannot tolerate the existence of a separate Communist régime with its own army, tax system, and currency. No one will deny that China *ought* to have only one centre of political power. But the fact is that for a long time two such centres actually have been in existence — and more than two, if the semi-autonomous régimes of certain provincial militarists are brought into the picture. To say that because of the Communists China is in the same position that the United States would be in if California seceded from the Union may provide a graphic analogy. But it solves nothing.

Chungking's problem is not to describe the situation, but to adopt concrete policies that will unify China; for only through unification by consent can one government be created. The present policy of suppression, a war-time version of civil war practices prevailing before resistance, is a sterile course of action. It can lead only to ineffectiveness in carrying on the struggle with Japan and to internal strife after Japan's defeat, resulting in even more serious divisions than at present. The alternative policy, which Chungking has so far rejected, is to recognize the legal equality of all groups, to incorporate them at once in a genuine coalition government, and to institute democratic political, economic, and military reforms for the country at large. This is the path to true unity — the unity of a country moving toward democracy rather than the uniformity of a police state.

IV

THE NATIONAL GOVERNMENT

"Just how firmly the national structure is cemented by now is hard to say; when Japan's pressure relaxes, the entire edifice may break into pieces again. True, the winning of a token victory might secure enough permanent support for Chiang to carry on. But most observers in Chungking, Chinese and foreign alike, believe that it will take more than that — that substantial outside help, both economic and political, will be needed to assure the continuation of the present government in power."

ERNEST O. HAUSER, "China Needs a Friendly Nudge," *Saturday Evening Post* (Philadelphia), August 26, 1944, p. 29.

IN CHINA, as in all countries, knowledge of the structure of government conveys only a small part of the reality of politics. No one could understand the operation of American government merely by studying the Federal Constitution and familiarizing himself with the formal powers of various officials and departments. It would be even more impossible to judge what is going on in Chungking from the administrative set-up there, for China is still in the process of creating a stable régime.

The Chungking Government, formally speaking, consists of a number of posts and agencies, including a President, State Council, National Military Council, Supreme Committee of National Defence, five departments known as *Yuan* (Executive, Legislative, Judicial, Examination, and Censor), and various Ministries, such as those of Foreign Affairs, Interior, and Finance. But these organs of government have virtually no significance apart from the Kuomintang, the official political party, which is inseparable from the régime. Not only are the highest officials of the administration also the highest offi-

cials of the party, but some of the most important governmental decisions are reached by the Central Executive Committee of the Kuomintang, or a smaller body, its Standing Committee.

This is quite different from political practice in the United States and Britain, where parties run the government through elected officials, but no single party is automatically identified with the structure of the state. Yet, even the Kuomintang machine is not the sole political power in Chungking territory: the most significant influence of all is that exerted by the armies of China. It is not an accident that the governors of provinces are usually generals and that the two leading parties, the Kuomintang and Communist Party, in effect have their own forces. For no person or movement can win power in Chinese politics without being in control of troops, or without being able to count on the support of someone else's troops in a crisis.

Government in Chungking China is largely personal in character. For example, the President of the National Government was a figurehead as long as the venerable Lin Sen held the title, but when Lin died in 1943 and Chiang Kai-shek succeeded him, the post was endowed with considerable power, comparable to that of the American Presidency. In a sense even this was make-believe, since Chiang's influence had been as great beforehand, and the main value of the Presidency lay in its being a symbol of government. The situation is strikingly different from that in the United States and Britain, where Churchill and Roosevelt are important largely because of the posts they hold, and it is through the power of their office that their ability as leaders generally finds expression.

In a measure, of course, individuals determine the nature of all governments. But in China the measure is very great indeed, for a constitutional situation does not yet exist. In fact, there is not a single national, provincial, or local official in Chungking territory who owes his office to election by the

people. Under the circumstances public opinion normally carries little weight, and on crucial issues the government can be deflected from a set course only if the country seethes with discontent. This was the case in 1935–7 when popular pressure compelled the régime to resist Japan. A similar situation may exist at the present time.

The question is often asked whether the Central Government has grown stronger or weaker in the course of the struggle against Japan. The answer is a mixed one, depending on the period of the war under discussion. Briefly, Central power increased in the early years of resistance, but has recently shown grave signs of deterioration, especially since the Japanese launched a series of successful drives, beginning with the Honan campaign of April–May 1944.

There is no doubt — if one looks at the centralizing tendencies in China — that Chungking has subordinated to itself certain provincial military leaders who were quite important in 1937. One instance of this is to be found in Szechwan, the capital province. When Japan struck, in July 1937, the Central authorities had barely succeeded in opening the door of Szechwan, and even after the outbreak of war there were many instances of Central difficulties with provincial spokesmen. But today the National Government holds a strong position in Szechwan, despite continuing resentment among some local leaders.

Another example, perhaps more striking, is that of General Sheng Shih-tsai, former military ruler of Sinkiang, a vast, sparsely populated province in China's far North-west. From 1934 on, Sheng controlled Sinkiang in close association with the Soviet Union, which gave him valuable military and economic aid. In 1942, probably calculating on a Nazi victory over the U.S.S.R., he decided to draw closer to the Chungking Government. Mme Chiang Kai-shek and various Central officials soon visited Sinkiang, and Chungking's influence was now introduced on a wide scale. The following year the Russians withdrew from Sinkiang, taking with them all their economic

installations, including oil-refining equipment, and leaving Sheng more dependent on the Central Government than he may originally have anticipated. The latest phase in this dramatic series of developments was the resignation of General Sheng as Governor in August 1944 and his appointment to the minor post of Minister of Agriculture and Forestry in Chungking.

The war itself has played a primary part in weakening or ending the power of some of the older militarists. For example, the enemy invaded Shantung province, and the Central Government subsequently had the Governor, Han Fu-chu, executed for being negligent in defence. The Japanese also drove Yen Hsi-shan out of most of Shansi province, leaving him a remnant area, where he advocates odd political and social theories in the hope of developing local immunity against doctrines preached by his Communist neighbours across the border in Shensi. In still another case, the Kwangsi armies of 1937 have lost heavily on many fronts, and the power of their original leaders, Li Tsung-jen and Pai Tsung-hsi, has been reduced. And in Yunnan — before the war the most autonomous province in China proper — Chungking has introduced some of its own divisions and has succeeded in having part of Governor Lung Yun's local troops assigned outside the province.

At the same time it is a fact that the National Government is better known among the people than in the pre-war period, and particularly in the early war years gained in prestige as a result of leading the country in resistance to Japan. Today the name of Chiang Kai-shek may well be as familiar to the average peasant in National territory as that of Roosevelt is to Americans. And the Generalissimo's picture, painted on a huge scale, looks down from many a city wall, reminding the passing crowd of the Central régime and its leader. There also can be no doubt that the international standing of the Chinese Government has been higher in recent years than at any time in China's modern history. China's inclusion among the

great powers and its participation in the Cairo and Dumbarton Oaks conferences are indicative of this development.

Yet it would be dangerous for Americans to overlook certain extremely serious weaknesses of the Chungking Government, weaknesses that will not easily be removed. For one thing, as a result of the war large sections of China's population and territory have come under Japanese rule or under anti-Japanese guerrilla governments, linked only nominally with Chungking. Moreover, many millions of Chinese who live in fighting zones, but beyond the grasp of the Japanese, are under local authorities with a considerable degree of autonomy. It must also be remembered that, in invading China, the Japanese have destroyed communications, resources, and facilities, so that in many respects the economic unity of the country has been reduced, with inevitable political repercussions. The result is that Chungking not only rules over a considerably smaller population than did the old pre-war government at Nanking, but also faces difficult problems of administration in large areas that nominally belong to it.

The existence of a distinct Communist zone, leading its own political, social, and economic life, is a measure of Chungking's inability to unify all the anti-Japanese elements in China. In what form this zone will emerge from the war no one can say. But in terms of the population under their authority and the size and location of the areas they control, the Communists hold a far more important position today than in 1937. At that time they were confined to a small, poverty-stricken territory in the North-west. Today they are the mainstay of resistance in large parts of North and Central China. Their forces operate on the very outskirts of leading cultural and political centres, such as Peiping, Tientsin, and Nanking.

This relative rise in influence of the Communists is a much more significant factor in estimating the strength or weakness of the Central Government than is the latter's partial subordination of various provincial leaders. Especially so, since the future of provincial autonomy depends on Kuomintang-

Communist relations. If these relations were to improve markedly and the two groups were to draw together in genuine unity, no provincial leader could do anything but cooperate with the National Government. But if Chungking fails to heal the breach with the Communists and remains in a rather enfeebled condition, local militarists, although weaker individually than before the war, may create an autonomy bloc of considerable strength. It is known that many provincial military leaders were deeply dissatisfied with Chungking's handling of recent campaigns and that some generals in the southern provinces showed interest in the possibility of carrying on an autonomous war effort. Nothing came of this political ferment, but it is a significant sign of the times.

There is no way of measuring the strength of popular support of the government and the Generalissimo, but after increasing in the early years of the war, it clearly has declined during the past three or four years. This is suggested not only by various local outbreaks against labour requisitioning, military conscription, and the grain tax, but also by the growing zeal with which the authorities have sought to suppress all freedom of thought. Although it is not easy to be certain of details, observers of Chinese conditions are aware of the expansion of secret service organizations. One of these organizations, for example, is under the direction of General Tai Li. Another is controlled by Chen Li-fu, one of the most powerful men in the Kuomintang. The secret police are omnipresent, and their influence is widely felt. Their existence and growth suggest an increasing measure of popular discontent with the government and its policies. At the same time their activities inevitably have the effect of further stimulating this dissatisfaction.

It is an ironic fact that greater freedom of speech and thought has existed in certain provincial capitals than in Chungking. Kunming, capital of Yunnan, and — before its fall in November 1944 — Kweilin, capital of Kwangsi, have been centres of intellectual activity, and many liberals who

wished to escape thought-control in Chungking or would not have been safe there, have found refuge in the provinces. This situation was referred to not long ago in a newspaper dispatch that declared: [1]

"In Kweilin people discuss ideas without looking cautiously over their shoulders. . . . The Kweilin edition of *Ta Kung Pao,* leading Chinese newspaper, speaks its mind about contemporary China with a directness that is frightening."

The granting of a measure of freedom of expression is not necessarily an act of altruism on the part of provincial leaders; nor is freedom of expression found in most of the provinces. Where it exists it furnishes a kind of protection against Central encroachment, for it draws to the provinces the support of a certain number of scholars and at the same time serves to establish a forum from which Chungking's shortcomings can be pointed out.

From all these facts it is clear that, while Chungking's formal strength rose for many years, the government's present weaknesses are actually very considerable. China is plainly only in the process of creating a national government. Moreover, if the word "national" is to have any meaning, it will be necessary for Chungking to adopt policies that are really capable of uniting the nation. A program that would bring the Kuomintang régime, the Communists, and provincial leaders together by agreement would create a more powerful administration than the present policy of attempting to suppress elements outside the government.

[1] Brooks Atkinson in the *New York Times,* July 30, 1944.

V

THE KUOMINTANG *

"I feel strongly that to realize democracy in this state, we must first democratize the Kuomintang."

SUN FO, President of the Legislative Yuan, February 23, 1944.[1]

"Today the Nationalist Party is dominated by a corrupt political clique that combines some of the worst features of Tammany Hall and the Spanish Inquisition."

THEODORE H. WHITE, Chungking correspondent.[2]

SUN YAT-SEN laboured for many years to make the Kuomintang an effective instrument for the creation of a new China. When he died his party was the acknowledged rallying point of all forward-looking political groups and individuals. But after the expulsion of the liberal and Left membership in 1927 the

* Since this chapter was written a shift in personnel has taken place within the Chungking Government. The changes involved are discussed elsewhere (see pp. 108–12). Meanwhile the reader should bear in mind that several officials mentioned in the next few pages do not hold the same posts as heretofore.

Chen Li-fu is no longer Minister of Education, but has succeeded his brother, Chen Kuo-fu, as Minister of Organization of the Kuomintang. Chen Cheng has replaced Ho Ying-chin as Minister of War, and H. H. Kung has ceased to be Minister of Finance. At the same time T. V. Soong, while continuing as Minister of Foreign Affairs, has become Acting President of the Executive Yuan.

These alterations are only of a superficial character. The Kuomintang organization remains under the control of the Chen brothers, and the men who have been affected adversely by the reshuffle of positions retain considerable influence within the government. In fact, although leaving the War Ministry, Ho Ying-chin was appointed commander of the Chinese forces in Kwangsi and Kweichow. In February 1945 he was named Commander-in-Chief of all Chinese ground forces.

1 Sun Fo, *China Looks Forward* (New York, John Day, 1944), p. 108.

2 Theodore H. White, "'Life' Looks at China," *Life* (New York), May 1, 1944, p. 103.

organization came to consist more and more of officials, persons expecting to become officials, and commercial, industrial, and financial elements. At the same time, the Kuomintang ceased to operate from the bottom up, and the leaders of lower bodies in the party were appointed from the centre. In this way the Central leadership became self-perpetuating, since checks on its power from below could no longer be effective.

The Kuomintang so far has not been a political party in the American sense, i.e. one competing for power at the polls. It is, rather, a monopolistic custodian of governmental authority. Its membership — less than one per cent of China's population — lags far behind trends of thought in the nation at large, and its policies even lag behind the views of its members. For the absence of a strong liberal wing prevents the Kuomintang from responding readily to democratic currents outside its organization.

The Kuomintang bureaucracy wields an enormous influence over the lives of the people and the country's political development. The machine leaders, or "bosses," are two brothers, Chen Li-fu and Chen Kuo-fu. Chen Li-fu, a man in his mid-forties, has been China's Minister of Education since 1938. His older brother, Chen Kuo-fu, is Minister of Organization of the Kuomintang and director of the personnel division of Chiang Kai-shek's secretariat. Memoranda for the Generalissimo pass through Chen Kuo-fu's hands, as well as recommendations of personnel for all kinds of government posts, and he usually determines whom Chiang sees.

The Chen brothers and their close adherents, including their secret service organization, are sometimes referred to in English as the "C. C. Clique" (C. C. being an abbreviation of the family names of Chen Li-fu and Chen Kuo-fu). C. C. policies have been an important feature of Chinese political life for many years. As Minister of Education, Chen Li-fu has over a long period exerted enormous influence on China's schools and universities. The effect has been to inhibit free-

dom of teaching, particularly since inflationary price rises have made teachers and students increasingly dependent on rice allowances from the Ministry. As head of the Central Political Institute, the training school for future party leaders, Chen Kuo-fu has been able to play an equally important rôle in moulding thought within the Kuomintang. C. C. influence has been directed toward promoting what may properly be characterized as an undemocratic ideology, for the clique is bitterly anti-liberal, in addition to being anti-Communist. Its power is felt throughout the Chungking Government, and also extends far down into the localities through the appointment of district magistrates.

A second leading element in the Kuomintang is a military group, sometimes called the Whampoa (or Huangpu) clique after the Whampoa Military Academy which turned out so many nationalist officers for the revolutionary armies of the mid-twenties. Whampoa cadets command most of the important divisions of the Chinese Army. One outstanding Whampoa leader is General Hu Tsung-nan, in charge of forces blockading the base area of the Chinese Communists in the North-west. War Minister Ho Ying-chin has sought to cultivate the Whampoa group.

Ho is one of the chief reactionaries in the government and was closely connected with the New Fourth Army Incident, in which Central troops attacked Chinese guerrilla forces. He has been regarded as a leading opponent of a thoroughgoing reorganization of the Chinese armies, such as was sought by General Stilwell before his recall from China. Considerably different from both Ho Ying-chin and Hu Tsung-nan is General Chen Cheng, who is opposed to the renewal of civil war and has thrown his support behind plans for improving the condition and operations of the armed forces.[3] The existence of opposition to Ho within Kuomintang military ranks is suggested by the fact that in 1943 a number of high-ranking staff

[3] For further discussion of Chen Cheng, see pp. 136–7.

officers — graduates of a series of classes of the government's War College — planned a *coup*. Their intentions became known prematurely, and the action never took place.

A third main group in the Kuomintang is led by H. H. Kung, Minister of Finance, President of the Executive Yuan, Chairman of the Board of Directors of the Central Bank of China, and also Chairman of the Board of Directors of the Bank of China. In the last-mentioned post Kung succeeded his brother-in-law, Foreign Minister T. V. Soong, early in 1944. Kung has taken a progressive stand in advocating close relations between China and its Allies, but his political rôle in general could hardly be called a forward-looking one.

A fourth important group is the Political Science Clique. Its leaders include Chang Chun, Governor of Szechwan and an old friend of the Generalissimo; Wu Ting-chang, Governor of Kweichow *; and Chang Kia-ngau, veteran banker and former Minister of Communications, who played an extremely significant rôle in building up the Bank of China. Many members of this highly conservative clique are noted for their personal competence. Like most groups in Chinese politics, it is not an organization, but rather a conglomeration of persons of like minds and activities, who are fairly regularly in touch with each other.

For many years Kung and the Chen brothers were bitter enemies, but some time before T. V. Soong lost his Chairmanship at the Bank of China it was reported privately that a Kung-C. C. alliance had been formed to prevent Soong from securing control of the Executive Yuan. Whatever the truth of the report, it is indicative of the frequent inner shifts in Chungking politics. In this particular case, an increase in Soong's power would have meant a decline in Kung's influence. Soong himself is a conservative who approaches politics as an aristocratic individualist. Although a supporter of re-

* In January 1945 Wu Ting-chang was shifted from his post as Governor of Kweichow to the position of director of the Office of Civil Affairs in the Central Government.

form, he has followed a course similar to that of Chen Cheng in avoiding critical public statements on the matter. It is impossible to know how far he would go in making changes.

China, of course, is not the only country whose political sands are constantly shifting. As is well known, American parties and administrations likewise have their cliques and conflicting groups. But it is characteristic of important personal disputes in Washington that they are not likely to go very far before they become subjects of public discussion and criticism. Moreover, whatever the personal ambition of individual officials may be, conflicts are usually presented to the public in terms of issues. For example, in the War Production Board imbroglio involving Chairman Donald M. Nelson, Vice Chairman Charles E. Wilson, and representatives of the United States Army, in the summer of 1944, there was unquestionably an important conflict of personalities. But the most significant aspect of the argument was the fact that Nelson stood for one conception of reconversion of war industry and his opponents for another. As a result, the issue transcended the individuals.

In China differences of opinion within the government rarely come to the attention of the people, for the Kuomintang and the administration are the preserve of a small close-knit political fraternity operating in cliques and holding multiple posts. The participants play adroitly at the game of attaining increased power for themselves — yet generally with the understanding that the contest is one for relative position and not for the political elimination of opponents. This reflects the fact that most Kuomintang leaders are in agreement on the necessity of avoiding basic domestic reforms and maintaining party rule. If one political clique were to crush another, there would be a grave danger that those who had been treated so roughly would team up with opposition elements outside the régime. Therefore, while engaging in rivalry with each other, the various cliques usually seek to present a united front to the nation at large.

The Kuomintang in the past eight years has resisted Axis aggression from without, but has followed policies with a strong flavour of reaction at home. This is indicated not only by measures for the suppression of speech and thought, but particularly by certain details of political action, reminiscent of practices in Mussolini's Italy and Hitler's Germany. Not long ago, for example, the Ministry of Education announced regulations against students dancing or smoking, or women students having bobbed hair. And on city walls such slogans as the following have been emblazoned: "The Party Controls All Aspects of National Life"; "One Doctrine, One Leader, One People"; and "Obey the Chief Executive, Obey the President, Obey the Supreme Commander." (All these titles are held by Chiang Kai-shek.) It is hardly necessary to emphasize the similarity between these slogans and the slogans of European Fascism.

The conditions prevailing within the Kuomintang youth organization, the San Min Chu I Youth Corps, fit in with these tendencies. The nature of the Corps has been described by Sun Fo in the following caustic paragraph from a speech of April 3, 1944: [4]

". . . the people we are turning out from the various training centers become rather like puppets. The first thing they learn to perfection is how to click heels at the mention of, or mere reference to, the Supreme Leader [Chiang Kai-shek]. Heel-clicking may be proper in the army, but it is not the appropriate thing to do among people in a democratic country. For instance, you don't see Englishmen jumping up from their seats and clicking their heels at the mere mention of their sovereign's name, or have you ever seen or heard that Americans at home or abroad would click heels every time President Roosevelt's name is mentioned, even at their political party meetings? The only examples of such practice that I know of were Russian émigré officers when they spoke about their dead Czar, and the German Nazis heil-Hitlering their Fuhrer. But why should we adopt the outmoded practice of the Czarist Russians or imitate the behavior of our Nazi enemies?"

[4] Sun Fo, *China Looks Forward*, cited, p. 119.

Yet, while the reactionaries are in the Kuomintang saddle, the existence of other currents of thought in the party should not be overlooked. The "opposition," it is true, is far too weak to win out by itself in any struggle over Kuomintang policy. But it could ultimately play an important rôle if it proved capable of uniting within itself, and of finding a common platform with non-Kuomintang elements desiring progressive change. Recently there have been signs of the drawing together of varied elements within the Kuomintang, ranging from extreme conservatives to the party's liberal wing, on the basis of what might be called a one-point program: opposition to the widespread corruption and inefficiency of the régime. In view of this development, it is important to know something about the Kuomintang leaders who are dissatisfied with present policies.

One Kuomintang official of high rank who has objected publicly to the present trend of affairs is Sun Fo, President of the Legislative Yuan. Sun has long been a leader of the party's liberal intellectuals and has been in the forefront of the movement for a Chinese constitution. Although he voiced approval of the government's action in the New Fourth Army incident of January 1941, when Central troops launched an armed attack against a leading guerrilla force, his influence in Chinese politics has frequently been a forward-looking one.[5]

Sun Fo's recent statements have stressed the following points: (1) Only a democratic China can expect aid from the foreign powers in post-war reconstruction. If China should become reactionary, it would probably find itself isolated after the war from Britain and the United States, as well as from the Soviet Union. (2) It is time to introduce local self-government and not deal with the Chinese people as if they were less capable of ruling themselves than are the people of India or the Philippine Islands. (3) The Kuomintang must be democratized. Instead of regarding itself as a superior

[5] For an analysis of the New Fourth Army incident, see pp. 150–3.

caste, it should develop democratic attitudes and re-establish close contact with the people.

Apart from Sun Fo, T. V. Soong, and Chen Cheng, important members of the Kuomintang who are known to be dissatisfied with present conditions include General Feng Yu-hsiang, a former war-lord who no longer has an army and who has been absorbed into the Kuomintang structure, and Soong Ching-ling, widow of Sun Yat-sen, noted for her integrity, political forthrightness, and devotion to the cause of democratic unity. There are also indications that widespread discontent with C. C. policies exists among the rank and file of the Kuomintang membership.

But this desire for change within the party is not easily expressed in an effective manner. For Kuomintang meetings are rarely held, and ordinary members have no voice in party affairs. At the same time it is characteristic of those persons who might furnish leadership that, while all are dissatisfied with existing conditions, they have not yet achieved a common understanding on a course of action. Their backgrounds and specific points of view vary widely, and most of them, though prominent, are of little importance in the operation of the Kuomintang. Mme Sun, for example, is a radical democrat who is allowed to remain in the party largely because of the prestige her name carries.

Feng Yu-hsiang also desires progressive improvements, but his position in Chungking affairs is far less important than his membership in the Military Affairs Commission or the Standing Committee of the party's Central Executive Committee might seem to indicate. T. V. Soong holds the post of Foreign Minister but, politically speaking, is an individual rather than the leader of a strong group. This leaves Sun Fo as the only public advocate of reform who is close to the centre of power.

It remains to be seen how much they and other dissatisfied members of the Kuomintang will be able to accomplish. For it is clear that great difficulties stand in the way of any effort

to bring about a genuine reorganization of the party and its leadership. At present liberal and conservative reformers labour under serious disadvantages arising from the destruction of the Kuomintang's progressive wing in 1927. The resulting one-sidedness of the Kuomintang's composition has been accentuated by the loss of China's more advanced areas in the course of the war. For the fact that the Chungking Government is located in the most backward landlord sections of China has strengthened the tendency toward a reactionary rigidity of policy that was already apparent in the pre-war administration at Nanking.

VI

GENERALISSIMO

"To think of Chiang Kai-shek as attempting to break from the past or as having started China entirely on the lines of mechanical progress and modernization is to misunderstand him completely."

H. H. CHANG, *Chiang Kai-shek: Asia's Man of Destiny* (New York, Doubleday, Doran, 1944), p. 26.

SOME PAGES BACK the reader must have begun to wonder how Chiang Kai-shek fits into the Chinese political picture. Is the Generalissimo simply the leading reactionary in a reactionary government? Or does he have characteristics that distinguish him from his associates?

Before these questions are discussed, a few points should be noted about Chiang's development in the past two decades. Most important is the fact that he came to the top not as a civilian politician, but as a soldier. For some years after the Nanking Government was established in 1927, there was little reason to regard him as being more than the latest and most successful figure in a long line of war-lords. It is true that he used the slogans and symbols of nationalist revolution, but he displayed just as much ruthlessness in crushing opposition as any provincial militarist fighting for his local domain. The only differences seemed to be that Chiang's power was greater than other war-lords had yet wielded, and that since his domain was the nation, it was in his interest to bind the nation together.

Ten years ago, in the mid-thirties, history offered Chiang an opportunity to rise to true national leadership. As the Japanese aggressors became bolder, the Chinese people de-

manded an end to civil war and the launching of resistance — objectives that could be achieved only under the direction of Chiang Kai-shek. For there was no other man in or outside Nanking capable of drawing together the varied strands of Chinese political life. The nation therefore came more and more to regard Chiang's leadership as essential to its own survival. The only debatable point was whether he would rise to the responsibilities imposed by his position as a symbol of unity, or whether he would adhere so long to his prejudices in favour of civil war and against a united anti-Japanese front as to make timely resistance impossible.

He altered his policies and accepted the mission thrust upon him by the Chinese people, thus demonstrating that he was capable of being a national leader in fact as well as in name. Public criticism of him now virtually ceased, especially as it became clear that the man who had been so stubborn in waging civil war would be even more obdurate in continuing the war of resistance through all difficulties and despite all counsels for a negotiated peace. This is not to say that Chiang intended from the beginning to fight until victory, but rather that whenever the question of maintaining the struggle or abandoning it came up in concrete form, his voice was raised against quitting. On many occasions, when China's prospects appeared particularly black, there was considerable sentiment in high Chungking circles for ending resistance. But Chiang's determination — reflecting his own will, the spirit of the nation, the insistence of groups within and outside the Kuomintang, encouragement from other countries, and the unappeasable greed of the Japanese — made possible the continuance of the war.

Chiang's attitude toward resistance illustrates one of his chief qualities: namely, his adherence to fixed convictions from which he can be swayed only with the greatest difficulty. While this characteristic results in firmness and continuity of purpose, it can also lead to extreme rigidity and conservatism, for example, in handling internal questions. Of the four top

leaders of the United Nations — Roosevelt, Churchill, Stalin, and Chiang — the Generalissimo is certainly the least flexible. It may surprise many to hear this said, particularly in relation to Churchill. But the British conservative has absorbed the subtle lessons of several centuries of British government, in addition to being tempered by his own wide experience and training.

Chiang, on the other hand, has no historic tradition that would equip him to handle the problems he faces. For the issues before him are of recent origin and either have been inherited unsolved from his predecessors or have been raised by his own policies. Nor is he a man of wide knowledge in the field of economic and political thought. This can be read between the lines of Wendell Willkie's description of his talks with the Generalissimo in the early fall of 1942. It is also implicit in Willkie's remark that Chiang "is obviously a trained listener, used to the task of picking other men's brains." [1] To a certain extent Mme Chiang has helped to bring the Generalissimo knowledge of the world beyond his own doorstep. But only to a certain extent — for her influence on Chinese politics, while salutary, has always been much more limited than most Americans imagine. Chiang reflects largely his own native background, not his wife's Western education.

All the evidence indicates that Chiang is in no sense a democrat in either his philosophy or political actions. By temperament and association, experience and conviction of self-interest, he is hostile to programs of reform and deeply intolerant of popular criticism. The whole bent of his thought and personality is in the direction of uniformity of opinion and obedience to a single authority. To him dissent probably seems an immoral thing — a gross breach of proper behaviour, as well as a political threat.

Those who have met him describe him as a serious, aloof man with a strong didactic tendency. He probably conceives

1 Wendell L. Willkie, *One World* (New York, Simon and Schuster, 1943), p. 55.

of himself as the teacher and uplifter of the Chinese people and identifies his own powerful ambition with the inculcation of the moral ideas of ancient Chinese philosophy — loyalty, dignity, acceptance of one's place in life, and a reflective spirit. It would be a mistake to regard these traits as a pose, or to doubt that these are really Chiang's ideals. Nor is there any reason to question his acceptance of Christianity, for as Willkie wrote, "He is undoubtedly sincere. . . ." [2] But, whatever his personal views, in political terms his attitude has been that of an autocratic director of the people, not a man who is of them. There is no sign that he desires the masses to be an active political force, and there are suggestions that his ideal is a docile, obedient nation following the course set down by a noble, inspired leader.

It is impossible to know what opinions Chiang holds on current questions except in the vaguest sense and perhaps not even that. For his official utterances are mostly of a general, hortatory character, and he is not exposed to the spotlight of publicity that is focused on the American President or British Prime Minister. There is no presidential press conference in China, nor is there a Congress or Parliament holding public debates on the issues of the moment.

Yet we do have one tangible guide to Chiang's thought in recent years, namely, his book *China's Destiny,* which caused considerable comment abroad when it was published in March 1943. Half a million copies were sold in China, but a foreign translation has never been issued, and Chungking censors would not allow correspondents to quote from the book in their dispatches. As is usual in efforts to suppress the printed word, the suppressors were not entirely successful, and some material from the book was publicized abroad. Moreover, a copy of the Chinese first edition reached the United States and was reproduced for sale here by an enterprising Chinese printer. A volume of the resulting American edition, identical in every respect with the original published in China, is in

[2] *Ibid.*

the author's possession, and forms the basis for the following comment.

Physically, the book consists of 213 pages of Chinese text, dealing with such subjects as the history of the Chinese Revolution, government under the Manchus, the nature of ancient Chinese life, the effects of the "unequal treaties" signed with foreign powers in the past century, the history of the Kuomintang, the events of 1924–7 leading to the break-up of the first united front, the present war, and China's future. It is significant that only a very small section — twelve and a half pages — is specifically devoted to the war with Japan, and that the greater part of the book revolves about internal politics, the policies of the foreign powers toward China, and plans for China's reconstruction.

Throughout the volume there are sharp attacks on Chinese liberals as well as the Chinese Communists, both of whom are accused of following alien philosophies unsuited to China. This idea is developed very clearly in the following statement: [3]

"After May 4 [1919], the ideas of liberalism and Communism became prevalent in the country . . . with the result that . . . people generally regard everything Western as right and everything Chinese as wrong. . . . The reason why different cliques have formed is that there is more than one foreign country, and foreign theories include more than one school of thought. Each clique imitates one country and worships one theory. . . . With regard to the struggle between liberalism and Communism, it is nothing more than the opposition of Anglo-American thought to the thought of Soviet Russia. These theories and political conceptions are . . . unfit for China's national economy and people's livelihood, and are contrary to the spirit of China's ancient culture."

The significance of this statement, made under the tense political conditions prevailing in China in 1943, was that it seemed to foreshadow a possible outbreak of civil war with

[3] Chiang Kai-shek, *China's Destiny* [*Chung Kuo Chih Ming Yün*], (Chungking, Cheng Chung Shu Chü, 1943), pp. 72–3.

the Communists. At the same time it constituted the severest kind of attack on democratic elements in Chungking territory, who thereafter had to labour under the disability of having been criticized in scathing terms by their national leader.

It will be observed that, in addition to expressing contempt for liberals and Communists, the quotation exhibits a strong anti-foreignism directed at China's most powerful associates in the United Nations coalition. For the burden of the volume is that the foreign powers have been responsible for the conditions prevailing within China. Indeed, the author says: [4]

"The decline of our national standing and the subsidence of the people's spirit in the past hundred years were generally caused by the unequal treaties."

This attitude contrasts strikingly with that of Sun Yat-sen, who, while fighting unceasingly against the conditions imposed by the unequal treaties, understood clearly that the ability of foreign governments to secure special privileges in China and deprive it of territory resulted from China's internal backwardness as well as the powers' own strength. This is why Sun worked to overthrow the Manchus in the period leading up to the Revolution of 1911, and why, during the last years of his life, he particularly stressed the need for China's social, political, and economic reorganization.

A very significant aspect of the book is Chiang's glorification of China's past, even though a great deal of that past — no matter how splendid it was in its time — now constitutes a barrier to China's progress. Chiang declares, for example: [5]

"Our ancient Chinese ethical philosophy is the embodiment of detailed and profound investigation of the way in which mankind and society are bound together. Although social organization evolves unceasingly, the following are the unchangeable rules of

[4] *Ibid.*, p. 13. The term "unequal treaties" refers to a number of treaties detracting from China's sovereignty over its own territory and granting the powers special privileges on Chinese soil. See pp. 219–20 below.

[5] *Ibid.*, pp. 66–67.

social life — the way of fathers and sons, husbands and wives, elder and younger brothers, and friends; the order of the upper and the lower, superiors, and inferiors, men and women, and old and young; and the principles of mutual assistance among neighbours and in illness."

The entire paragraph just quoted breathes a spirit of reverence for the hierarchical society of Imperial China which found in Confucianism its chief philosophical bulwark. In effect, Chiang is here standing on the intellectual foundations of the *ancien régime,* whose political destruction was the first work of the nationalist revolution. This is not to say that Confucianism will not always hold a high place in the history of human thought, or that the outlook of the Chinese people may not be coloured for centuries to come by certain Confucian concepts; but there is a difference between showing respect for parents or for learned men, and accepting Confucianism as a way of life. In the latter sense the days of Confucianism are numbered, for China's ancient philosophy is incompatible with the concepts of modern democracy, which deal not with "the unchangeable rules" governing "the upper and the lower, superiors and inferiors," but with the relations among equals and the methods of breaking down social barriers.

Any attempt to apply Confucianism in China today inevitably has the effect of promoting the old agricultural and social relationships under which the doctrine flourished. That this might not be distasteful to Chiang is suggested by the fact that *China's Destiny* says little on the basic question of land reform. There is reason to believe that Chiang's ideal is a combination of modern industrial techniques with as much of China's ancient way of life as it is possible to salvage from the upheavals of recent decades. The possible effects of such a policy have been indicated clearly in the following statement by two American students of China: [6]

[6] Owen and Eleanor Lattimore, *The Making of Modern China: A Short History* (New York, Norton, 1944), p. 34.

". . . the fate of the peasant [is] decisive for the nation. If he is to be held down to the old way of life while the rest of the nation changes, then China will become a vast Japan, with an industrial development high in certain activities but uneven as a whole, and with a disastrous and widening gap, as in Japan, between the mechanical progress of the factories and the human-labor standard of the farm. Either the peasant must be liberated and granted equal rights to progress with the rest of the nation or else the overproduction of human labor on the farm, under serflike conditions, will drag down the wages and standards of factory labor and undermine the whole national economy — again, as in Japan."

The fact that Chiang Kai-shek combines within himself a good deal of the past as well as something of the present — that he is, for example, both a traditional military man and a leader of national resistance — helps in some measure to explain his political strength. For by representing the old and the new, he draws allegiance from the supporters of each. But this characteristic also involves certain shortcomings, raising the question whether Chiang is sufficiently flexible to lead China along progressive lines in the future. The problem is all the more crucial since Chiang clearly is determined to retain control of the Central Government. Yet there are other men who, following appropriate policies, might prove far superior to Chiang Kai-shek in welding together the disparate political elements that make up China today. One must therefore ask: Will the Generalissimo, who holds the reins of national leadership, prove sufficiently flexible to adopt the far-reaching measures of political compromise and economic reform needed for unity? Or will he fail to do so — or act too late — because of his own deep-seated personal and political prejudices?

That Chiang has the power to take a course other than a reactionary one is hardly open to doubt. His influence finds formal expression in the posts he holds. He is not only Director-General of the Kuomintang and Generalissimo, but he is

also the President of the National Government, Executive Yuan, Central Executive Committee of the Kuomintang, Military Affairs Commission, and Supreme Committee of National Defence. These are the top posts in both the government and the party, and they make of Chiang as much of a dictator as a man can be in China at the present time. It is necessary to phrase the matter in this way because current Chinese conditions preclude the rise of a dictator in the Western sense, since the Chinese Government has too many political and economic weaknesses to control all, or even the main, aspects of national life.

This explains why Chiang, although an autocratic leader, plays along with the various groups in the Kuomintang, matching faction off against faction, leaning now in one direction, now in another. A clever politician skilled in political manœuvring, he knows that an undemocratic régime which has not been thoroughly consolidated cannot survive unless its varied elements keep their quarrels "within the family." Chiang therefore serves as a gyroscope, maintaining Chungking politics on as even a keel as possible. He is the kind of leader who above all reflects the pressures about him — and not the kind who, while aware of surrounding conditions, seeks to chart a bold course and induce others to follow.

But Chiang's attitude toward those who work with him is more than a matter of cold calculation. He has been associated with men like Ho Ying-chin, Chen Kuo-fu, and Chen Li-fu for many years. In fact, his political life and personal success in the past two decades have been inseparable from his cooperation with them. Chen Kuo-fu was his personal secretary on the Northern Expedition; and an uncle of the Chen brothers — Chen Chi-mei — was one of Chiang's earliest friends in the nationalist movement. Moreover, in political philosophy Ho, Chen, and others of their type are undoubtedly congenial to Chiang.

If this is so, how will it be possible to expect more from

Chiang Kai-shek in the way of sound leadership than from Ho Ying-chin or Chen Li-fu? The answer lies in the fact that Chiang is the top leader and they are subordinates, for the leader of a nation generally possesses a freedom of action that is denied to those below him.

Ho Ying-chin, for example, realizes that if the forces urging reorganization of the Army grow stronger, he is unlikely to remain in the military leadership. And Chen Kuo-fu knows that if democratic practices are tolerated and the Kuomintang itself is democratized, the party will certainly not wish him to retain influence in its ranks. Having become thoroughly committed to their present course, Ho and Chen are not likely to reverse themselves. Chiang, on the other hand, does not stand committed to nearly the same degree. If he should at some point reach the conclusion that Ho or the Chen brothers must cease to be factors in Chungking politics, this would not mean that he himself would have to go. It would even help to raise his own prestige, because recently his adherence to unworkable policies has again made him the subject of widespread popular criticism.

What no one knows is whether Chiang, a man of stubborn loyalties, can conceive of breaking decisively with these old associates whose political careers have been part of his own. Nor is this simply a matter of sentiment, since the removal of high officials from the government would have to be compensated for by drawing upon some other source of support. Only the people could supply this new backing. From this it is clear that a thorough reorganization of the Chungking Government to meet the problems that will arise during the remainder of the war and in the post-war period cannot be separated from the development of China toward democracy.

Chiang's place in history, therefore, hangs in the balance. He passed one crucial test when he decided to yield to the popular pressure for national resistance. A far more serious test now faces him — and has for some years: whether he will

allow the Chinese people a genuine voice in economic and political matters. If he decides to do so, his leadership and the future of the country will be assured. If he does not — or if he acts too slowly — China will have before it the possibility of renewed civil war with unpredictable consequences.

VII

JAPANESE PUPPET

"When China was invaded in the past it often happened that the despicable acts of traitors, rather than the aggression of aliens, inflicted the most deadly blow upon our country. That Chinese should be unfaithful to their own people is a disgraceful stain on the pages of our history, and if such humiliating acts should be repeated, China would suffer early extinction."

WANG CHING-WEI in *The People's Tribune* (Shanghai), April 1, 1937, p. 2.

DURING THE WAR of national resistance very few Chinese officials have openly joined Japan, and only one such traitor was previously a figure of national importance. This was Wang Ching-wei, who died in Japan on November 10, 1944 after almost six years of open treachery. Superficially Wang had been isolated from the mass of China's leaders, but in fact he bore certain similarities to many persons within the Kuomintang and the National Government. If we understand him well, we shall know not only why he chose the lonely road to puppetry, but also why there have been serious weaknesses in the Central régime's spirit of resistance.

Wang Ching-wei was a man with a long and chequered career. His membership in the nationalist movement dated from the days of the Manchus, when he was involved in a revolutionary terrorist plot against the Prince Regent. In the 1920's, after the reorganization of the Kuomintang, he was a member of the party's left wing and frequently came into conflict with the ambitions of Chiang Kai-shek. At the time the Nanking Government was set up he was one of the leaders of a short-lived régime at Wuhan; and still later he became

the chief spokesman of the Kuomintang opposition to Chiang, centred at Canton. But in 1932, after the Japanese invasion of Manchuria, Wang and others of his group joined Nanking. As a result, he was appointed President of the Executive Yuan and Foreign Minister, thereby assuming public responsibility for the policy of appeasement toward Japan. When an attempt was made on his life in November 1935 he left China for Germany and Italy, and did not return until after the Sian incident.

Although Wang's political opinions varied sharply from time to time, the single constant factor in his behaviour was an overwhelming ambition that drove him into unceasing opposition to Chiang Kai-shek. His objective was to make himself the leader of China, and he invariably found Chiang standing in his way. In the struggle between the two men Wang, an intellectual and a civilian, always laboured under the great disadvantage of commanding no armies and having no provincial base. For these and other reasons Chiang won out at every crucial point, although frequently compromising with Wang for the sake of minimizing his opposition. With this situation Wang was dissatisfied, and he ultimately turned to the Japanese. Like Benedict Arnold, Laval, Quisling, and others of their type, he counted on the armed strength of an enemy country to give him the power he could not win for himself.

In the months preceding the war with Japan Wang did his utmost to encourage the feeling that China was incapable of resistance. On January 18, 1937 — the day of his arrival in Nanking after returning from Europe — he warned: "Since armed resistance against foreign encroachment will necessarily mean risking the existence of the nation, it is obvious that China must first develop ample strength to repulse the aggressors before she can think of resorting to such a course." [1] At the same time he exerted every effort to prevent an agreement with the Communists and to keep the fires of civil war burn-

1 *The People's Tribune*, February 1, 1937, p. 198.

ing. In a speech of February 22, 1937 he declared that to cooperate with the Communists would be "tantamount to drinking poison in the hope of quenching one's thirst." [2]

When war broke out, Wang and the "peace group" within the government succeeded in delaying the announcement of unity with the Communists. As the conflict expanded they sought constantly to prevent the mobilization of popular support for resistance, and to bring about China's capitulation under the cover of peace. In the fall of 1937 Wang promoted a German attempt at "mediation," but this failed. In the summer and autumn of 1938, especially after the fall of Canton and Hankow had placed the country in a most critical position, he exerted all the pressure at his command to induce Chiang Kai-shek to negotiate with the Japanese. Unsuccessful in the endeavour, he left for Indo-China in December, apparently believing that he might achieve better results by openly threatening to join the Japanese than by remaining within the Chungking régime. Later he visited Japan and ultimately established a puppet government at Nanking in March 1940.

As Deputy Director-General of the Kuomintang and the holder of other posts, Wang had been, at least in rank, the second most important man in the Chinese Government. That he found it necessary to leave Chungking was a great victory for the forces of national resistance. It also represented a glorious chapter in the war-time leadership of Chiang Kai-shek, who denounced the Japanese peace proposals that Wang had wanted to accept, and stated firmly: [3] "The situation being as it is, if we hope . . . to secure independence and equality for our nation through peace and compromise, we shall not be different from a lunatic talking in his dream." Yet the fact cannot be overlooked that when Wang left, many officials whose views were close to his own, or even identical with them, stayed behind. Wang's bitter anti-Communism, his openly expressed contempt for all efforts to mobilize the peo-

[2] *Ibid.*, March 1, 1937, p. 347.

[3] *Ibid.*, February 1939, p. 122.

ple, his opposition to guerrilla warfare, and his desire to end the war by negotiation with the aggressor were characteristic of other persons still in Chungking, who preferred Chiang Kai-shek as their leader or hesitated to follow Wang openly because they did not know whether he would be successful. When Wang deserted, these officials did not abandon the domestic program with which he had been connected, but continued to fight for it. And behind the scenes some of them continued to work for capitulation.

It was the opinion of Wang and those who left Chungking with him that prosecution of the war would leave the government fatally weakened in relation to popular movements, especially the Communists, but that, on the other hand, the régime could end the war and still find ways to maintain its stability. One of Wang's accomplices expressed this quite clearly after deserting to the Japanese, when he said: [4]

"Should General Chiang, . . . at the opportune moment, decide for peace, the Government will always have sufficient power and authority to retain control over the whole country, suppress all opposing elements, and prevent any possible commotion."

Wang himself presented the same argument from another angle and declared of Chiang: [5]

"The present military strength of the forces under his command is neither adequate to resist Japan, nor to keep control of the Communists. He may not be desirous of being dragged along by the Communists, but circumstances will force him."

These statements taken together indicate that Wang and his fellow-puppets preferred to serve the Japanese rather than to establish genuine Chinese unity for the sake of resistance. But perhaps phrasing the matter in this way obscures one of the fundamental motives of the puppets — the desire to secure increased governmental influence for themselves through capitulation to Japan.

[4] Chow Fu-hai, "Playing with the Fate of the Nation," *ibid.*, August–October 1939, p. 25.

[5] *Ibid.*, p. 86.

The soundest reply to Wang's arguments would have been that the Kuomintang and other patriotic Chinese groups were capable of agreeing on a progressive program for China, and that "control" of any group supporting the war effort was therefore unnecessary. But, apart from Wang's secret supporters in Chungking, there were many Central officials, hostile to Wang, who differed from him largely in that they considered it feasible to resist Japan and control popular movements at the same time. They did not oppose Wang's domestic program, but simply felt that they could accomplish what he regarded as impossible. In fact, they set about doing it at approximately the same time that he went over to the enemy. This is why the failure of China's worst traitor to end resistance was accompanied by a heightening of political friction and a marked curbing of democratic rights granted in the initial period of the war. China's struggle against Japan now began to suffer because one of the basic issues of the pre-war period — the adoption of a democratic internal program — had never been settled.

This explains the reluctance of the Chungking Government to call Wang's treachery by its real name. In an address on December 26, 1938 Chiang Kai-shek hesitantly suggested the nature of the situation. Beginning with the statement that Wang had left China purely for personal reasons of health, he progressed to the remark that no patriotic Chinese would now think of peace through compromise, and concluded by expressing the opinion that rumours concerning the departed leader had been "deliberately circulated by China's enemies with the intention of misleading the public." But in between he had come to the point with these words: [6]

"After so many years of comradeship in the national revolution, there is nothing we cannot discuss. In matters of such importance affecting the future of the Chinese nation, I am confident that Mr. Wang Ching-wei will not undertake the reported negotiations privately without consulting us."

[6] *North-China Herald* (Shanghai), January 4, 1939, p. 2.

On December 31, 1938, after Wang had issued public statements advocating peace, he was expelled from the Kuomintang. This was followed by a flood of denunciations of his action by Chinese commanders of high rank. But the government was reported to have suppressed the more violent statements, apparently hoping that Wang might still change his mind. After he began to publish certain alleged documents intended to discredit Chiang and other high Chungking officials, sharper criticism was allowed. Yet on April 17, 1939 Chiang declared of Wang and his fellows, although not referring to them by name: "For the present, our condemnation . . . may best be limited to the moral sanction they have incurred against themselves, while their legal punishment may wait." [7] Not until June 8, 1939 — after Wang had started secret negotiations with the Japanese on the formation of a puppet régime — did the government order his arrest and punishment. It was characteristic of the whole course of relations between Chungking and Wang that the initiative was constantly left in his hands and that at every point Chungking failed to act until he had made some new move toward open support of Japan.

For some years there were few public references to Wang in the politics of Free China, but on January 21, 1944 Chinese censors permitted the Chungking newspaper, *Yi Shih Pao,* to declare: [8]

"If the traitors are willing to turn over a new leaf, we will forgive the past and allow them to reform. If Pu Yi [Japan's puppet emperor in Manchuria] or Wang Ching-wei broke away from the Japanese and served their country at a later stage, we would allow them once again to be Chinese, and even give them freedom of assembly and speech for publication and for forming associations."

This was an incredible statement to make about men who had worked openly with a foreign invader to overthrow the Chi-

[7] *Generalissimo Chiang Speaks* (Hongkong, Pacific Publishing Co., 1939), pp. 207–8.

[8] *Christian Science Monitor,* January 27, 1944.

nese Government. To find an equivalent, one would have to imagine a French newspaper suggesting the return of Laval to French politics, or a Norwegian publication offering, under certain circumstances, to forget what Quisling had done.

Nothing could indicate more clearly the degree to which the spirit of Wang Ching-wei's policies survives in Chungking, even though the government continues to carry on resistance. This remains true despite the fact that Wang is dead, for his ideas and motives live on.

VIII

LIBERAL VOICES

"The need for China to become a democracy has passed beyond the stage of theory: it is a fact. The formation of a democratic system can no longer be delayed: it must not be postponed until after the war. We feel it necessary to warn our fellow countrymen: if democracy is not realized during the war, then what we shall obtain after the war will not be democracy but the division and ruin of the country and suffering ten or a hundred times that of today!"

Statement by the Federation of Chinese Democratic Parties, Chungking, May 1944.[1]

DURING THE PAST few years no group in the Chinese political world has found survival more difficult than have China's liberals. One reason for this is the deadly effect of inflation on the livelihood of intellectual and middle-class circles in which liberal thought would tend to flourish. But even more important is the government's harsh suppression of freedom of speech, thought, assembly, and action. It is true that these freedoms have never been operative on a national scale at any time in China's recent or ancient history. But there have been significant variations in the degree of official control. For example, by 1941 virtually nothing was left of the limited civil liberties of 1937 and 1938, and a liberal who dared to speak his mind was taking his livelihood in his hands, and perhaps his life.

But in the latter part of 1943, the ice of suppression began to crack, partly as a result of foreign criticism, but especially because of surging discontent among the Chinese people. This discontent made itself known in many places — among army officers, lesser government officials, students and professors, members of the lower ranks of the Kuomintang, provincial

1 *Pacific Affairs* (New York), September 1944, p. 330.

militarists, Communists, and the mass of the people, who desperately desired a lessening of governmental corruption and inefficiency, as well as improvements in tax and conscription policies. This discontent, to the extent that it was articulate, was largely of an under-cover type, since it could not be voiced in newspapers or at public meetings. The views of one or another individual or group, expressing dissatisfaction with current conditions, were circulated by word of mouth or by private typescript.

In the latter part of 1943 and early months of 1944, the government made verbal concessions to this criticism by promising a relaxation of the censorship and the convening of a constitutional assembly within one year after the war. But conditions themselves did not change. In April 1944, however, the Japanese launched the first of a series of campaigns which revealed how seriously China's powers of resistance had deteriorated. While fully aware that China had never had its proper share of foreign aid, the Chinese public also knew that these tragic events were to be attributed to the shortcomings of the government's policies as well as to China's natural weaknesses. Liberal and popular circles now grew more vocal in their criticism and put increasing pressure on Chungking to carry through long-needed improvements. This pressure had all the greater force because Japan's advances had weakened the government's military strength in relation to that of the Communists, and because China's allies — especially the United States — were becoming more and more concerned over the state of China's war effort. In effect, by breaking the military stalemate in China the Japanese enormously strengthened the demand, both in China and outside, for a solution to the political stalemate.

Most liberal or independent criticism in China is of an individual character. But there do exist certain minor political parties which mirror non-Kuomintang, non-Communist views in Central territory. These parties, small in membership and sometimes little more than groupings about a few lead-

ers, include the National Socialist Party — which has no connection with Nazi views — Young China Party, Third Party, Rural Reconstructionists, and Vocational Education Group. The National Socialists hold to conservative theories, but their ideas are nevertheless in advance of the actual situation in China and therefore have a liberal effect. The Young China Party is a right wing organization, with some strength among provincial circles in Szechwan. The Third Party was formed originally by Kuomintang members who continued to support a policy of co-operation with the U.S.S.R., the Chinese Communists, and the peasants and workers after the break in the united front in 1927. The Rural Reconstructionists, not really a party, are a group of persons interested in educating the peasantry or developing rural political action. And the Vocational Education Group is made up of the personnel of a large number of vocational schools in Kiangsu Province, whose members have opened new schools in Free China.

The "little parties," as they have been called, received official recognition when representatives from their ranks were included in the People's Political Council in 1938. At the end of 1939 over 30 members of the Council, including members of the Young China Party, National Salvation Association, National Socialist Party, Third Party, Rural Reconstructionists, and Vocational Education Group, formed what was called the United National Construction League. Its program accepted the Three People's Principles of Sun Yat-sen, but expressed the hope that Chiang Kai-shek would soon become the leader of all China under law, instead of simply being the leader of the Kuomintang. It asked for immediate promulgation of a constitution, as well as freedom of speech, assembly, and publication.

The League sought to avert the threat of civil war in 1940, and in 1941 after the New Fourth Army incident, but was unsuccessful in bringing about a compromise between the government and the Communists. The League's most active members then sought to establish a new body, with the result

that the Federation of Chinese Democratic Parties was formed on March 25, 1941. Because of repressive political conditions in Free China the Federation was at first a secret body — not a public one like the League — and its propaganda centre was located in Hong Kong, outside the Central Government's jurisdiction. The new organization did not include the National Salvation Association, which was not only a loose body unsuited for secret activity, but also had been charged by the government with being under Communist leadership. The National Salvationists, however, pledged their support.

The Federation adopted a ten-point program, stronger than any statement made by the League. This platform, made public on October 10, 1941, included the following points: [2]

"1. To carry out resistance to the end. To recover all lost territory and fully re-establish the integrity and sovereignty of China. To oppose all movements for compromise with the invaders.

"2. To embody the democratic spirit in political institutions, putting an end to one-party control over the State. Pending the enforcement of a Constitution, to establish a body representing all parties and groups for the discussion of national affairs.

"3. To strengthen internal unity. All current disagreements between parties and groups to be immediately adjusted.

"4. To urge and assist the Kuomintang to carry out the Outline of National Resistance and Reconstruction, determinedly and fully.

"5. To establish real unity and oppose local separatism, but at the same time to define and enforce the spheres of power of the Central and local governments.

"6. To insist that the army belongs to the nation, and that military men must owe loyalty to the nation alone. To oppose all party organizations in the army, and to oppose the use of the army as a weapon in party strife.

"7. To enforce government by law. To protect the lives, property, and personal liberty of citizens of China and oppose all secret arrests and penalties unsanctioned by law.

"8. To protect the legitimate expression of public opinion by guaranteeing freedom of speech, publication, assembly, and association.

[2] "Democracy vs. One-Party Rule in Kuomintang China: The 'Little Parties' Organize," *Amerasia* (New York), April 25, 1943, pp. 104–5.

"9. To give effect to the abolition of one-party rule mentioned in Point 2, the following reforms should be made: (a) the government's prestige and influence should not be used to promote the power of any one party in schools and cultural organizations; (b) official personnel should be selected on the basis of the 'best and ablest' as advocated by Dr. Sun Yat-sen, and the use of national political power for purposes of party recruiting should be prohibited; (c) the practice of paying party expenses out of National and Local Government revenues should be abolished; and (d) the 'New District System,' whereby members of district advisory councils and the headmen of villages are selected by examination rather than election, should be altered.

"10. With reference to the current political situation, to give attention to the following points: (a) the improvement of the food, living conditions, and pay of soldiers at the front; (b) the abolition or modification of all executive orders interfering with the expansion of production; (c) strengthening the government's supervisory organs in order to put an end to all 'squeeze' and corruption in carrying out State economic measures."

Soon afterward the Federation decided to abandon its secrecy and become a public organization. The little parties did not go untouched for the boldness of their actions. The National Socialist Party leader, Carson Chang, who had been a member of the presidium of the People's Political Council, was dropped from that position when the Council met in October 1942. The Third Party, one of whose important members had signed a public statement critical of the government's stand in the New Fourth Army incident, lost its seats in the Council. The Young China Party, a right wing group, was the only small party that did not suffer a cut in representation. But the Federation continued to do its work, becoming sharper in its attitude as China's internal position grew more desperate.

A manifesto of May 1944 indicated clearly the need for unity, a satisfactory foreign policy, Kuomintang-Communist co-operation, and thoroughgoing measures to reduce corruption, remove incompetent officials, mobilize the people against hoarding, improve tax procedures, aid private industry, and

eliminate transportation malpractices. Extremely significant was the following statement on political unity: [3]

"The views repeatedly expressed by the Chinese Communist Party have never gone beyond democracy. Various preparations now being made by the Kuomintang are also probably aimed at the realization of democracy. . . .

"If the Kuomintang and the Communists lay greater emphasis on the interests of the country and act to break the deadlock between them, it will not be difficult for them together to send an additional force of a million troops to increase the pressure on the enemy. . . . Would it not be better for the Kuomintang and the Communists to join together quickly to resist the alien invasion than to go down to extinction together because of their mutual struggle? On this point the views of all the Chinese people toward the Parties hinge. It also determines the appraisal of the two parties made by our allies. Thus we hope that the wise leaders of the two Parties will seriously heed their duties."

Two things should be noted about the activities of the Federation of Democratic Parties. First of all, its criticism is of a mature character, designed to facilitate settlements rather than to exacerbate differences. Secondly, while the Federation is small in membership and weak in political influence, its activities apparently have served to strengthen the position of the Kuomintang's weak liberal wing. Sun Fo, for example, has on several occasions used the very arguments employed by the Federation. It may also be significant that Li Chi-shen, one of the southern generals, is a Federation member, and that General Lung Yun, provincial leader of Yunnan, has given encouragement to the organization's activities in his province.

At the same time it is clear that most of China's political independents have not yet found a means of expressing their sentiments through an organization. Some belong to the Kuomintang, but largely for practical reasons of livelihood rather than because it offers them a political forum. A few belong to the small parties. In the future, if the Kuomintang is democratized, most independents who wished to join a political

[3] *Pacific Affairs*, September 1944, pp. 333–5.

organization would probably find it the most congenial party. Some might join, or work closely with, the Communists. But there could be a place of growing importance for the present small parties — or future successors — which might expand significantly if allowed genuine freedom of activity. For there is no reason why China should have only two parties that count, even though the Kuomintang and Communist Party are likely to remain the leading political organizations. In the China of the future many constructive differences of opinion will exist, and three or four important parties may be required to give them adequate expression.

IX

STEPS FORWARD

"The 11th Plenary Session [of the Central Executive Committee of the Kuomintang] has passed the resolution that the National Congress shall be called one year after the war to promulgate constitutional government. The people will not be satisfied with a picture of a cake to satisfy their hunger."

CHANG LAN, President of the Federation of Chinese Democratic Parties, September 18, 1943.[1]

HOPES FOR THE DEVELOPMENT of democracy in China have centred on several declarations and actions of the Chinese Government, for example, the establishment of a People's Political Council. But up to the present time these hopes have not been realized. In the early days of resistance, when China confounded most of the prophets by fighting on despite all defeats, there was reason to be optimistic, for the new unity was still fresh and green, and there was no telling what forward strides the Chinese might make politically. Even now it is not too late for China to strike out boldly in new directions. It will therefore be useful to discuss some of the moves that, at different times in past years, have seemed to hold promise of democracy in Chungking.

One of the first such moves — apart from the re-establishment of unity — was the adoption of the Program of Resistance and Reconstruction in April 1938 by an extraordinary congress of the Kuomintang. This program has been summarized in an earlier chapter.[2] Here it will suffice to reiterate that it was a forward-looking statement of objectives — one

1 Chang Lan, "China Needs True Democracy," *Asia and the Americas* (New York), May 1944, p. 208.

2 See pp. 25–6.

that could have furnished a sound basis for continuing political unity and effective organization of the war effort. But of the thirty-one items in this document few indeed have been carried out, except for the recommendations concerning diplomacy. Virtually the whole domestic side of the program, with its statements about hoarding and profiteering, political training in the armies, improvements in conscription, and reorganization of all levels of government, remains a dead letter. Yet the prescriptions are as sound as when they were first written and are needed even more today than in 1938.

A single measure that was carried out, at least in form, was the establishment of the People's Political Council, which first met in Hankow on July 6, 1938. Designed as an official advisory body, it contained Kuomintang representatives, persons belonging to no party, seven Communists, and others from lesser political groups. Members were chosen by the government, and the percentage of Kuomintang members was high. The composition of the Council was unrepresentative as far as proportions were concerned, but it served to bring together spokesmen of various sections of political life. The powers of the Council were limited: it was to consider official policies and actions; to make proposals to the government; and to question, and receive reports from, high officials. Its sessions were ordinarily not to exceed ten days, and it was to meet every three months. Since the Council was first established, certain changes have been made in its composition and in the manner of selecting members, with the result that while Chungking seems to have less control the proportion of Kuomintang members actually has increased.

The People's Political Council, when its record is taken as a whole, cannot be said to have fulfilled the expectations of the Chinese people. Its meetings have been infrequent — there was only one annually in 1942, 1943, and 1944 — and it has possessed no real power, since the essence of administrative authority lies in control over appropriations. A representative organ without budgetary control — an "advisory body" with

no power to enforce its advice — is like a hand without fingers. Many members of the Council have been earnest in their proposals and have done their best to make it an effective organ of public opinion, but at least until recently the political tides ran against them. As a result the Council's influence has been far below that of the Central Legislature in colonial India, and the Chinese people have had less of a voice in government than have the citizens of the advanced colonies.

However, when the Council met in September 1944, it succeeded in speaking its mind more plainly than at any time in its six years of existence. This was possible not because of the powers of the Council, but because of the vast upsurge of democratic discontent in China, and the encouraging effects of American criticism of Chinese conditions. Under the circumstances Chungking found it necessary to give way and allow the Council greater freedom of criticism than before. At this session strong demands were made for improvements in conscription, the conduct of the war, and other matters troubling the Chinese nation. And for the first time in Council discussions of the Kuomintang-Communist controversy the Communists were allowed to present their case on equal terms with the government.

Chungking decided, significantly, that the national budget should henceforth be presented to the Council for examination and comment before final adoption by the government. The size of the Council was to be increased, it was to have greater authority to make investigations, and the sub-committees of its resident committee — operating between sessions — were to be strengthened. The members of the Council exhibited a new spirit of independence by voting to send a delegation of five non-party members to Yenan to make an investigation of the situation in the Communist North-west. Yet, it remains to be seen how effective the Council will be in the future. Not until it receives genuine budgetary powers,

exceeding mere "examination and comment," and its membership is reorganized to conform more closely to the strength of the various Chinese political groups will it be in a position really to represent the nation in war-time.

At best the People's Political Council can only be a precursor of a genuine Chinese parliament, established under a Chinese constitution. The adoption of a permanent constitution has been discussed in China for a long time, and as far back as May 5, 1936 the government formally issued a proposed draft constitution. A National Congress to adopt the draft was to meet in November 1937, but war intervened, and the session was postponed indefinitely. In September 1939 the People's Political Council proposed that constitutional action be taken in war-time, and the Generalissimo then appointed a Council committee to consider various aspects of the question. In November 1939 the Kuomintang Central Executive Committee decided to hold the National Congress in November 1940, but the meeting was subsequently cancelled, allegedly because of transport and other war-time difficulties. Several years later, in September 1943, Chiang suggested to the Central Executive Committee the importance of preparing for post-war constitutional government. A resolution was then passed, providing that within a year after the conclusion of the war a National Congress was to be convened to adopt and promulgate a constitution and to name the date when the constitution would go into effect.*

The fact that constitutional government has been so long delayed and is no more of a reality today than it was before the war has produced a healthy scepticism among both Chinese and foreign observers. All the more so, since achieving true constitutionalism is a crucial issue in China. For with the adoption of a constitution, all political parties should secure legal equality, and various freedoms of action and thought

* In a New Year's message for 1945 Chiang Kai-shek pledged the adoption of a constitution during the war. See pp. 111–12.

will become part of a new supreme law of the land. This was indicated quite clearly by Chiang Kai-shek, when he declared to the Central Executive Committee in September 1943: [3]

"After the enforcement of Constitutional Government, our Party should hand over the government to the people. . . . After the enforcement of Constitutional Government, our Party should be on equal legal footing with other ordinary parties and the common citizens, and should enjoy equal privileges and rights, fulfill equal obligations, and receive equal treatment from the state under the principles of freedom of assembly, organization, speech and publication in accordance with law."

Because this is what constitutionalism will mean, when it is actually carried out, Chinese progressives have urged the adoption of a constitution before victory over Japan. Such a move, they have argued, is essential to war-time morale and to the creation of a China that can face post-war issues effectively. But reactionary opponents, believing that the adoption of a constitution would strengthen the hands of China's democrats, hitherto have preferred to hold constitutional government before the nation as a vision of the future.

Progressive ends could be served without adopting a constitution immediately, if Chiang Kai-shek would take into his government enough members of parties other than the Kuomintang to make the political legality of these groups a fact. And by allowing widespread freedom of speech, press, and assembly he could make civil liberties a reality. In fact, it can be argued that unless these liberties are first established, a constitution might prove a sham concealing the absence of democracy.

It should also be recognized that the draft constitution proposed by the government has many defects, despite its generally democratic tone. The most serious shortcoming is the lack of provision for any parliament or congress worthy of the name. All the draft calls for is a National Congress which

[3] Sun Fo, *China Looks Forward* (New York, John Day, 1944), pp. 88–9.

would meet one month in every three years. Such a body cannot be called a legislature, for it is obviously nothing but a means of sanctioning government by executive action. This is all the more true because the proposed National Congress would have about 2,000 members and be far too unwieldy to express the views of its members. Many criticisms have been made of other points in the draft, but it seems essential at the very least to create a genuine legislature if Chinese constitutional government is to have meaning.

China's experience with the constitutional movement reveals clearly that promises of future democracy cannot be a substitute for current democratic development. This is why a Chinese university leader declared in the *Ta Kung Pao* early in 1944 that "freedom of speech for the people is a test of the present preparations for constitutional government." [4] And it also explains why the newspaper *Kuo Min Kung Pao* declared: [5]

"The constitutional movement launched by the authorities in connection with the promised democratization of government today is still limited to words and confined to a few large cities, but has never been carried into the country. What is needed is the establishment of democratic organs in villages, where leaders should be freely elected by the people. There should also be organs for the expression of popular opinion. Otherwise, things will remain as dreadful as now."

On the issue of village self-government it should be noted that, under regulations issued in September 1939, a new system of *hsien,* i.e. district, government was to be established, to provide a basis for constitutional democracy. Since then district assemblies have been created in many districts, with representatives from local professional organizations and groups of families. Critics of the system say that power resides with the local landlords and merchants and that the people have no voice. Certainly there is no indication that the new

[4] *Christian Science Monitor,* April 15, 1944.
[5] *Ibid.*

district system is really training the people for democratic self-rule. From only one small section of Chungking territory has real governmental experimentation been reported — from the southern part of Kiangsi province, where Chiang Ching-kuo, a son of the Generalissimo, is the Administrator. But it is obvious that if it were not for this family relationship he would be in no position to carry through social reforms. Moreover, even here the program appears to be of a paternalistic rather than a popular character.

Progress toward democracy in China, in the last analysis, means one thing: enabling the Chinese people to take part in politics and make their opinions felt. This is admittedly not an easy task, for the peasants are mostly illiterate, as well as backward in many other respects. But the Chinese peasant has a native shrewdness and democratic folk-spirit that equip him to master the essence of politics, if he is encouraged to do so on the basis of his own interests. He will, of course, not be interested in political machinery as such. He wants to know what it will do for him in terms of prices, conscription, taxes, and village conditions. In the course of the war he has seen village administration in Central territory become more oppressive than before. His participation in government can be brought about only if this oppression is lightened and his own voice is substituted for that of the corrupt gentry and rapacious landowners.

Far-reaching reforms are required in Free China, including a thorough reorganization of the Central Government, to revive flagging morale and create a new political harmony. In effect, there will be no guarantee of democracy in China until the people in Central territory are allowed and encouraged to organize in popular bodies, just as in the guerrilla areas. In 1924–7 one of the main sources of strength of the Kuomintang lay in the organization of peasant and labour unions. But in the present war the work of popular organization has been left, in the main, to the Communists.

The absence of popular organization is indicated by the

plight of labour unions in Free China. It is no secret that what passes for a labour organization in Chungking is little more than a paper agency, which meets occasionally, but is virtually without power or influence. It is true that various popular organizations are alleged to exist, but their significance is revealed plainly in the following paragraph written by a correspondent who was part of a group visiting the North-west in 1944. Before reaching guerrilla China, the press party passed through Chungking territory and was everywhere welcomed by delegations from local financial, commercial, women's, peasants', and workers' organizations. But when this particular correspondent questioned some of these spokesmen he received the following information: [6]

"The workers' delegate in Hancheng said he did not work but 'lived at home.' The women's delegate for Hancheng was the charming wife of the magistrate, who had arrived to take up his post only a fortnight before."

Further comment on these "representatives" would be superfluous.

While some steps of a progressive character have been taken by Chungking, one must conclude that civil liberties and democracy are at the moment conspicuous by their absence. In the summer of 1944 a habeas corpus act was adopted, with the purpose of prohibiting illegal arrests and reducing the number of agencies authorized to make arrests. But the new law had serious weaknesses, since it did not apply to political offences with a military angle to them. In war-time, of course, all political activity has at least an indirect influence on military affairs.

For the time being China therefore remains a police state in which arbitrary power is largely immune to the encroachments of civil rights. Until this situation is remedied and the people receive a genuine voice in government, all plans for improvements in administration, whatever the names by

[6] *New York Times*, June 4, 1944.

which they are called, will be empty and ineffective. For democracy is a meaningless word unless power is conferred on the people. This is why Sun Fo declared four years ago: [7]

"The nation's public life today may be likened to a power plant fitted with a high-voltage dynamo but no suitable transformer and transmission line. Though good laws and new rulings are plenty, they are not widely applicable because something vital is missing."

He was referring to the absence of the Chinese people as active participants in the operations of the Chinese Government.

[7] Sun Fo, *China Looks Forward,* cited, p. 208.

X

GUERRILLA POLITICS

"The men who sat around the table were unusual for Chinese administrators. Old and young they all had the look of sun-bronzed farmers. Some had hitched outside the horses they had ridden. Their composition offered corroboration of the Chinese Communists' assertion that they were striving to unite all groups and classes for the anti-Japanese war and for internal reform and reconstruction."

Description of a meeting of Border Region administrators by HARRISON FORMAN, *New York Herald Tribune,* August 6, 1944.

NO MISTAKE should be made about the fact that the areas controlled by the Chinese Communists have an existence and character of their own. This situation is the result of ten years of Kuomintang-Communist civil war, followed by over seven years of political friction during the war against Japan. The Communists' contribution to national resistance is therefore an autonomous one based on their own territories, political orientation, financial institutions, economic organization, schools, and courts. In the absence of political agreement with the National government in Chungking, they have carried on their own way of life in the north-western Shensi-Kansu-Ninghsia Border Region, as well as in a host of war-time anti-Japanese bases established in the invaded areas of China. It seems likely that this situation will continue for some time to come.

In July 1944 the Chinese Communists told a foreign correspondent [1] visiting their capital at Yenan that they administered fifteen anti-Japanese bases containing a total population of 86,000,000 people. Of these, 50,000,000 people were

[1] Harrison Forman, *New York Herald Tribune,* July 25, 1944.

said to live in North China, where five of the bases were located. Eight other bases were in Central China, one in South China, and one on Hainan Island off the South China coast. The total area involved was said to be 3,330,000 square *li* (approximately 370,000 square miles). No way exists to check these figures — and Chinese statistics are notoriously inexact — but there is no reason to doubt that Communist China contains some tens of millions of people inhabiting a vast area. The most important question is not whether the population is really 86,000,000 or whether it is *only* 60,000,000 or 50,000,000. What matters is the fact that a large section of the Chinese people is experiencing far-reaching political, social, military, and economic reforms.

The main base and headquarters area of the Communists is the Shensi-Kansu-Ninghsia Border Region (abbreviated Shenkanning) containing something under 2,000,000 people. This is not a guerrilla zone, since it has always lain beyond the territories overrun by the Japanese, and its government differs in many respects from that of the guerrilla areas proper. One of the main reasons for this is that the Shenkanning régime was organized in the days of civil war, when the Communists were following radical policies of expropriating rich landowners and allowing a voice in politics only to the workers and ordinary peasants. Consequently, by the time the Communists had changed their program for the sake of unity with the Central Government, many far-reaching alterations had already been carried through. The guerrilla regions, on the other hand, have been created entirely in war time within the framework of a more moderate policy and have never known the radical measures characteristic of early days in the North-west. Their basic social organization has therefore undergone fewer changes. Yet, both Shenkanning and the guerrilla areas follow the same fundamental policies of economic reform and political mobilization in order to wage effective popular warfare against the Japanese.

Government in the Shensi-Kansu-Ninghsia Border Region

is organized on three electoral levels. Lowest is the borough (*hsiang*), then the district (*hsien*), and finally the Border Region as a whole. On each level councils are elected by universal, direct, secret suffrage. One of the functions of the councils is to choose the administration of the areas they serve. The Regional Council elects the Border Region Administration, and the government is run from day to day by the Administration in co-operation with the Standing Committee of the Council, which acts for the Council in between sessions. The Chairman of the Border Region is Lin Tsu-han, 62-year-old Communist leader. The non-Communist Vice Chairman, 65-year-old Li Ting-ming, has been described as a "progressive country gentleman, noted in North Shensi for thirty years for promoting local education." [2] All elected officials of the Border Region from the Region down to the village are subject to recall by their constituents. Aside from the merit of such an arrangement, it is worth noting that the right to recall officials was greatly stressed by Sun Yat-sen toward the end of his life.

A joint meeting of the Shenkanning Border Region Administration and the Standing Committee of the Regional Council was convened in July 1944. American correspondents who were present reported favourably on the proceedings, emphasizing several facts — namely, the forthright criticism of the government's activities by its own members, the high proportion of officials who came from the ordinary community, the representation of all groups in Border Region life, and the fact that the Communists were a minority. On July 12, for example, twenty-two out of twenty-seven members were present. Of those attending only eight were Communists, the rest being non-party men except for one National Salvationist, the Vice Commissioner of Education. The group ranged in age from thirty-three to eighty-two and included two big landlords, six members of the minor country gentry, several intellectuals, teachers, a soldier, doctor, Moslem mullah, shop-

2 *New York Times*, August 6, 1944.

clerk, tenant farmer, and poor peasant. Seventeen of the twenty-two were natives of the region.

The main problems discussed were ways of meeting the Japanese military threat to the North-west and methods of increasing production. The participants were outspoken in their suggestions. One farmer, for example, took the government to task for ordering the planting of trees, but not explaining to the people why planting was necessary or how it should be done. A non-Communist landlord declared that he supported the government's policy of reducing rent and interest rates, but that some officials were too far to the left and others too far to the right in interpreting the policy. He urged an equitable program. The Moslem mullah asked more government help for Islamic primary schools, as well as aid in combating epidemics, vaccinating cattle against diseases, and organizing reforestation. The Vice Commissioner of Education told the meeting that the members of his department had been re-examined because of criticism of the department and the high percentage of illiterates still found in the Region after eight years' work. He reported the existence of 2,000 primary schools, a tenfold increase since the beginning, but said that they did not receive enough popular support. The government, he declared, had decided to hand the schools over to community committees and would give financial aid and advice only when asked to do so.

In the guerrilla zones the problems of war-time administration originally developed in different fashion from those of the Shenkanning Border Region. Very frequently after the Japanese invaded an area, the local magistrates ran away or worked with the enemy. Very rarely did they lead the people against the enemy. Inevitably the guerrillas had to create new governments. (In Hopei, for example, all the magistrates left when the Central troops evacuated the area, and the seat of the Hopei government was moved into the neighbouring province of Honan.) But the new governments could not be of the type that had proved worthless. They had to be popular

administrations capable of developing resistance, mobilizing and arming the people, securing their confidence by allowing them to participate in elections, and improving their economic and cultural conditions. These policies all were necessary if effective warfare was to be waged in the rear of the Japanese.

In the oldest of the guerrilla areas — that of Shansi-Chahar-Hopei — the functioning of government in 1942 has been described by Michael Lindsay, an English observer. Lindsay, son of the Master of Balliol College, Oxford, fled to guerrilla China from Peiping after the outbreak of the Pacific War. According to his report, village governments are elected, as well as various district and regional councils, and universal suffrage exists for all persons of eighteen and over. He presents the operation of government in some detail in the following paragraphs: [3]

"The elections to the village councils work on an interesting principle. The people form themselves into small groups and elect a temporary chairman for each group and then after discussion elect a representative to the village council. The village council then elects the village head and forms committees to assist him in the various branches of administration. The small groups of voters have regular meetings for discussion with their representative and can recall him if they are not satisfied.

"Elections to the *hsien* [district] councils are on the basis of one representative for every 2,500 inhabitants in the Shansi-Chahar-Hopei area. The villages are grouped in electoral districts and after a period of election meetings the election is held by secret ballot. Here also the people have the right to recall their representatives. The mass associations or other groups can call a meeting to propose the recall of the local representative. . . .

"The central council of the Shansi-Chahar-Hopei Border Government is elected directly. The electoral district is the *hsien* and there is one representative for every 30,000 of population. Anyone is free to run as candidate but in practice the candidates are nearly all proposed by the mass movement associations and the electors'

[3] Michael Lindsay, "The North China Front, Part II," *Amerasia* (New York), April 14, 1944, pp. 117–18. This material was published in abbreviated form in *The Times* (London), November 11, 1943.

choice is usually rather limited. In one *hsien* which was entitled to six representatives there were only eight candidates.

"Besides the elected members there may be up to 10% of co-opted members in the *hsien* and central councils. Some of these represent the occupied areas, and there are also representatives of special interests. The central council has 20 representatives from the army, 3 each from the university and from factory workers, 5 Mohammedans and one each from Manchus, Mongols, and Tibetans, out of a total of over 300 members.

"The elections to the *hsien* councils are supposed to be held every year and to the central council every two years, but though the village elections were held in 1942 the original *hsien* and central councils have not been re-elected, though in a number of cases in the *hsien* councils the local electors have exercised their right to change their representative. Under present conditions an election would be difficult because the candidates who went around holding meetings in the villages would be in danger of Japanese raids in many areas, while in the *hsien* councils the right of recall makes new elections less important.

"Meetings of both *hsien* and central councils are held every six months. The meetings usually begin with a report by the government of its work during the last six months followed by discussion and criticism. The central council is the legislature and it has a standing committee which can give provisional approval to laws proposed by the government.

"Outside the permanent base areas where villages may be raided at any time by the Japanese, the organization has to be less elaborate and it is not possible to have elected councils, but the system is made as democratic as possible. The government tries to consult local opinion before appointing officials and works with advisory committees."

Just as in Kuomintang China the Kuomintang is dominant politically, so in Communist China the Communist Party is the outstanding political organization. Yet there is one crucial difference between the two situations: namely, that the Communists show every sign of desiring to share their power with other elements in the population. As Lindsay remarks: [4]

"Even in the army and the mass movement associations there are non-Communists and in the civil government a large propor-

[4] *Amerasia*, April 14, 1944, p. 124.

tion of officials are non-Party with a considerable Kuomintang minority, including the chairman and vice-chairman and chief of the education department in Shansi-Chahar-Hopei."

In apportioning representation in government the Communists have followed what they call a "3-3-3 policy," under which they do not hold more than one-third of the official posts. The other two-thirds are filled by representatives of landlords and merchants, Kuomintang members, and non-party progressive persons. The Kuomintang was never very strong in North or North-west China, but, wherever possible, Kuomintang members are brought into administration. In the Shensi-Kansu-Ninghsia election campaign of June 1941 for a Regional Council the Communists also pledged that two-thirds of the posts under each elected Communist official would be held by non-Communists. In a few places in the Shansi-Chahar-Hopei area, according to Lindsay, "the Communist Party has not been able to attain a representation of one-third, although it is more usual for the Communists to withdraw successful candidates in order not to exceed their proportion." [5]

In judging the truth of the Communists' assertion that they do not wish to monopolize political power, the main fact to be borne in mind is that, according to the testimony of every foreign visitor who has seen their territory, they have had remarkable success in mobilizing the mass of the people. The energies of men, women, and children, of old and young, of Chinese and minority (e.g. Mongol) elements of the population, have been harnessed effectively for the war effort. The people have been encouraged to become articulate, to learn to speak and think for themselves. If, in the last analysis, the only guarantee of decent, democratic government lies in an alert citizenry, then the policies followed in guerrilla China provide such a guarantee.

One correspondent, visiting the North-west in the summer of 1944, describes the work that is being done to promote the emancipation of women and gives a brief account of a local

[5] *Ibid.*, p. 118.

convention of peasant women. Another — a Chinese representative of the Central News Agency in Chungking — writes of the institution of "labour heroes," i.e. peasants and workers who have performed some special achievement in production and therefore receive privileged treatment. He characterizes one of them as follows: [6]

"Wu Man-yu, 51, a native of Hengshan in north Shensi, was formerly very poor — so poor that his wife died of starvation and he had to sell his three-year-old daughter for five *sheng* of millet. In the winter of 1935 the Communists gave him a piece of land from a landlord. He worked hard, reclaimed more and more land and harvested more crops each year. He now has more than 200 *mow* of land from which he expects to harvest 120 *shih* of millet and other cereals for the current year."

A second leading "labour hero" is Chao Chan-kwei, a mechanic producing farm implements. The same reporter writes further: [7]

" 'Learn from Wu Man-yu' and 'Learn from Chao Chan-kwei' have become popular sayings among the peasants and workers respectively in the 'border region.' They all look enviously up to these two labor heroes and dream that one day they may also win such laurels.

"The labor heroes are highly honored. Pictures of the leading ones are hung in the walls of the auditorium of the headquarters of the 'People's Assembly of the Shensi-Kansu-Ninghsia Border Region.' They are invited to social functions. We, members of the press party to the Northwest, met both Wu Man-yu and Chao Chan-kwei at a dinner given by the 'Shensi-Kansu-Ninghsia border region government' one day."

Still another correspondent wrote on June 9, 1944, three days after the Allied landings in Normandy: [8]

"We have had an opportunity to convince ourselves of the remarkably effective educational work that has led every soldier,

[6] C. Y. Hsu, "Production in the 'Border Region,'" *China At War* (New York), September 1944, p. 15.

[7] *Ibid.*, p. 16.

[8] *New York Times*, July 1, 1944.

farmer and workman with whom we spoke to know already of the opening of the Allied invasion of western Europe and its direct bearing on the speeding up of the anti-Japanese offensive."

In fact, on the very day this was written, a play depicting the invasion of France was put on at Yenan. It was entitled: "Second Front."

That peasants in China's remote North-west should understand the significance of a military operation thousands of miles away on another continent; that Chinese women in rural areas should venture to make speeches at public meetings; that a peasant or worker should have his picture displayed beside the pictures of important political and military leaders — these things are unheard-of developments in Chinese village life. They represent a burgeoning of a new spirit in an old country. This is not to say that conditions in the North-west or guerrilla areas are perfect. Far from it. These areas were so backward before the war that years will be required to create universal literacy, to raise living standards to high levels, and to make corruption purely a memory of the past. What matters is not that the remnants of a previous era still exist, but that, with all the strength at its command, the government has promoted education, improved the people's diet, and fought corruption. The result is that visitors to the North-west and the guerrilla areas recognize something they have not seen before in China and feel it holds great hope for the future.

❀ XI ❀

ARE THEY COMMUNISTS?

"The Chinese Revolution cannot but be divided into two stages. The first stage is New Democracy, the second stage is socialism. But the duration of the first stage will be rather long. It certainly cannot be completed in a morning and evening. We are not visionaries. We cannot divorce ourselves from the realities of the situation."

MAO TSE-TUNG, Chairman of the Chinese Communist Party.[1]

EVER SINCE THE EARLY DAYS of the Chinese Soviets foreign observers have tended to regard the Chinese Communists as agrarian socialists or peasant radicals, rather than as Communists. According to this view, the present guerrilla movement is essentially the latest in a series of radical peasant movements that have burst forth throughout Chinese history at moments of crisis. For example, in the middle of the last century the Taiping Rebellion, which almost unseated the Manchus fifty years before they actually lost the throne, was basically a peasant revolt. The Manchus previously had suppressed other revolts, and each dynasty before them had also been faced by its quota of rural uprisings. By analogy, then, the activities of the guerrilla armies and governments today could be considered a current variation on an old Chinese theme.

A far more important consideration in judging the Communists has been the moderate nature of their program. Even in the days of civil war, when they expropriated large landowners, the guerrillas never tried to introduce anything resembling collectivization of agriculture. Their immediate goal was always the launching of long-needed rural reforms and the establishment of a landowning peasantry. Later, when ex-

1 Mao Tse-tung, *A Discussion of the New Democracy* [*Hsin Min Chu Chu I Lun*], (no place, Shih Nien Shu Chü, 1940), p. 22.

isting policies were remoulded for the sake of unity with the Kuomintang, the Communists became more moderate in method as well as in program. Most striking was their pledge in September 1937 to support Sun Yat-sen's Three Principles of the People; to abandon the policy of overthrowing the Kuomintang by force, establishing Soviets, and forcibly confiscating land; to abolish the Soviet Government and enforce democracy based on the people's rights; and to place their armies under the control of the National Government.[2]

Most foreign observers would agree that, while the last point has been realized only nominally because of friction with Chungking, the other pledges have been observed, even though Chungking on its side has done little to promote unity. The Eighteenth Group (originally the Eighth Route) and New Fourth Armies' policy of improving the lot of the people, encouraging them to participate in government, and mobilizing them for war against Japan are in agreement with Sun's principles of national independence, democracy, and popular welfare. Moreover, the Communists actually have abandoned the policy of land confiscation, have ended the Soviet political system, and, while defending themselves, have not sought to overthrow the Kuomintang by force.

It is an interesting fact that the twenty-fifth item in the Kuomintang's Program of Resistance and Reconstruction, adopted in 1938, urges the kind of mass organization activity the Communists have been carrying on. This clause reads as follows: [3]

"The people throughout the country shall be organized into occupational groups such as farmers, laborers, merchants, and students. The principle shall be: From each according to his ability. The rich shall contribute in money, and the able-bodied shall sweat. All classes of people shall be mobilized for war."

It is also worth noting that the whole emphasis of the Communists has been on change without violence, and in the areas

[2] See p. 23.

[3] *The Chinese Year Book, 1938–39* (Shanghai, Commercial Press, 1939), p. 338.

under their control they have constantly sought to minimize the differences among classes. For example, while effecting reductions in rents and interest rates, they have invariably sought to dissuade the peasants from pressing for more radical reforms that would cause sharp class friction.

This is why, in a broadcast of August 11, 1943, Raymond Gram Swing declared quite correctly that "the Communists have become versed in the democratic art of compromise." [4] This is also why a liberal editorial writer remarks with good reason that they "could more appropriately call themselves the Chinese democrats." [5] At the same time it is necessary to point out that they regard themselves as Communists both in their political theory and outlook. It is true that the mass of people in the Communist areas are simply peasants looking for decent government and a better way of life. But many of the leaders, as well as ordinary citizens, are actually Communists.

The Communists hold that at the present time China is only ready for what they call "New Democracy," i.e. a progressive economic, political, and social program within the framework of a modified capitalism. The realization of their ultimate desire for a socialist China will be possible, they believe, only in the remote future. This attitude is expressed clearly in the following report of an interview by a foreign correspondent: [6]

" 'Why do you call yourselves "Communists" if you are practicing democracy?' a foreign visitor here asked a prominent party man.

" 'We are Communists,' he was told, 'and shall always remain Communists. But you must realize what a correct application of the Communist theory means in a backward semi-feudal country like China.

[4] *Amerasia* (New York), September 1943, p. 282.
[5] *The New Republic* (New York), March 13, 1944, p. 335.
[6] Guenther Stein, *Christian Science Monitor*, August 30, 1944.

" 'It must mean promotion of the smooth development of productive methods, with the help of capitalistic enterprise, as well as the enterprise of co-operatives.

" 'For only from that distant stage of fully developed modern economy can the next step toward socialism be made and only much later can the final step to Communism be taken. . . . Communism in China for decades to come can only mean "new democracy." There is no opposition to this policy in our party and the non-party people everywhere in our areas know we mean what we say and support us because of this policy.' "

This spokesman also declared that

"party members are predominantly peasants, keen on reforms and progress but definitely averse to any premature experiments like collective farming and socialist revolution on [the] basis of present low production and low culture."

While the Communists have reiterated on many occasions their desire for the strongest kind of unity with the Kuomintang and other political groups, they may be expected to show considerable toughness in adhering to the reform program they have laid down and in maintaining the independent existence of their party. On both points they are influenced not only by current considerations, but by their interpretation of the break-up of the first united front in 1927. At that time, they say, the Communists and left wing movement in general placed too much confidence in the intentions of conservative nationalists and therefore were unprepared for the period of suppression. One may be sure that throughout the present war of resistance, whenever friction has increased, the minds of Mao Tse-tung, Chu Teh and other leaders have turned back to the events of 1927.

This, in part, explains the Communists' constant emphasis on preserving their unity and independent existence on the same basis as the Kuomintang. In 1938 the latter proposed that the Communists dissolve and join the Kuomintang as individuals. The Communists refused, arguing that they had

a distinct program and that Chinese conditions required more than one party. They proposed instead that, as in 1924–7, they maintain their own party, but also be permitted to join the Kuomintang (with their names known to the Kuomintang). A second suggestion was for the creation of a national alliance of all parties, led by Generalissimo Chiang Kai-shek. The various groups would be equally represented on a Central Executive Committee and local Executive Committees, which would be responsible for carrying out the united front. Neither of these arrangements was acceptable to the Kuomintang.

One of the questions most frequently asked about the guerrilla leaders is how closely they are tied to the Soviet Union. Intellectually, there is no doubt that they are highly sympathetic toward the Russians in outlook and purposes. In the early days of the Chinese Communist movement, considerable advice and aid were received from the U.S.S.R. — although it should be noted that this was also true of the Kuomintang, which, during 1924–7, relied heavily on Soviet support. Later on the Communists were located largely in the southern province of Kiangsi, ringed about by territory under Central control. When they reached the North-west in 1935, they were closer to the U.S.S.R., but still were separated by some hundreds of miles of territory in which transport was ordinarily carried on by nothing better than a few caravan routes. Under the circumstances it appears unlikely that they received any significant aid from the Soviet Union after the late twenties.

For more than a decade and a half they have been essentially on their own, and have managed to survive and strengthen themselves despite civil conflict and Japanese aggression. In the course of the present war of resistance they have received virtually no outside aid. Except for some materials delivered by the Central Government during 1937–9, small quantities of medicines from abroad, and a trickle of goods imported from Free China despite the blockade, everything they have they appear either to have made for themselves or to have seized from the enemy. In effect, they have been considerably less

dependent on foreign assistance than has Chungking itself, for all outside supplies delivered to China, whether from the Soviet Union, the United States, or other countries, have gone to the Central Government. It is significant in this connection that at no time during the present war has the Central Government, or any Central spokesman, stated or even suggested that the guerrilla armies were receiving any foreign military aid.[7]

These facts point to a conclusion of supreme importance: that the Communists are deeply rooted in Chinese political life and that their political stability and power arise from inside China. They must be considered a native political force stemming from Chinese conditions — a force which will have to be dealt with by the Central Government regardless of the position taken by the Soviet Union on questions relating to China. Moreover, however great the sympathy Moscow may feel for the Chinese Communists, the Soviet Union is not alone in its current attitude toward them. The United States in the past year or two has exerted considerable pressure on Chungking to settle its differences with the Communists and achieve a united war effort. At the same time it must be recognized that, if the U.S.S.R. joins in the war against Japan and as a result establishes direct contacts with China's guerrilla armies, the latter will be greatly strengthened beyond their present considerable power.

The moderate, democratic domestic program that the Chinese Communists adopted in 1935–7 is a program to which they have adhered without important changes through all the succeeding vicissitudes of internal and international affairs, and despite all changes in the foreign relations of the Soviet Union. Consequently, the situation in China today presents this crucial issue: Will a coalition government be formed, with the Communists operating simply as a parliamentary left wing?

[7] See, for example, T. V. Soong's statement about the guerrillas, quoted on p. 139.

On such a basis China could look toward internal peace after the war, and the two or more political jurisdictions that exist in the country could be moulded into one, especially if unity at the centre is combined with recognition of variety in the provinces. The fundamental problem, however, is one of democracy, for the more democratic the National Government becomes, the less occasion will there be for Kuomintang-Communist conflict. That is why Michael Lindsay has suggested: [8]

"The risk of future civil strife depends very largely on the form of the post-war Chinese government. It might almost be said that the Central Government need only fear the existing [guerrilla] organization in North China if it intends to govern badly. A Central Government which tried to abolish democratic institutions and restore the former exploitation of the peasants by powerful landlords and money-lenders working with corrupt officials would certainly meet with the universal opposition of the North China population and might well cause a civil war. On the other hand, a democratic government which confirmed and extended the present reforms would find no reason for conflict. It would find, in fact, that North China had changed from one of the most backward to one of the most progressive areas of China."

What is said here about North China applies with equal force to the entire question of unifying the nation, and what is said about the need for post-war democratic government also holds for government in war time. The unity of the future — or lack of it — is being shaped today and will not wait for decisions to be reached after the defeat of Japan.

[8] Michael Lindsay, "The North China Front, Part II," *Amerasia* (New York), April 14, 1944, p. 125.

XII

TWO CAPITALS NEGOTIATE

"The front and the rear are fundamentally one. What occurs at the front is at the same time a reflection of what has happened in the rear. Facts tell us that we want victory at the front and democracy in the rear."

YÜN NAN JIH PAO (Kunming), July 19, 1944.

FROM 1940 on there has been continuing large-scale friction between the Central Government and the Communists. Charges and counter-charges concerning armed attacks, the seizure of political prisoners, and other points of dispute have flown back and forth. Particularly in Chungking's north-western territory facing the Communist zone, official hostility has hardened into a hatred perhaps more intense than that felt for the Japanese. Foreign correspondents felt this when they visited Central areas in the North-west in 1944 and were shown a "labour camp" for the "rehabilitation" of so-called political malcontents. "Sian," exclaimed one correspondent, "is a physical bastion and ideological shield against Communism." [1] Another, after a visit to Yen Hsi-shan up in Shansi province, reported that Yen "has troops fighting against the Eighth Route Army at Fushan, Shansi, this very moment." [2] There was no doubt that the Communists had their own deep bitterness toward Chungking. Yet it is significant that Mao Tse-tung frequently warned his followers against intolerance of other points of view in the Border Region and urged political modesty.

1943 was a year of grave political danger inside China.

[1] *Christian Science Monitor*, June 1, 1944.
[2] *New York Times*, June 5, 1944.

Chiang Kai-shek's book, *China's Destiny,* published in March 1943, suggested the possibility of renewed civil war in the following crucial paragraph: [3]

"Why are our internal parties . . . unwilling to abandon their evil practices of armed division of territory and purge away their attitude of feudalistic militarism? Can they still be considered Chinese? And how can they be called a political party? In what country of the world is there a political party which devotes itself to a policy of armed force and division of territory, hinders its country's national unification, and prevents its government from entering on its proper course? Is this not anti-revolutionary? And is it not an obstacle to the revolution? If this hindrance to the revolution is not voluntarily abandoned and eliminated, how can the nation and people not meet with misfortune? . . . I have always advocated that the National Government adopt a very lenient attitude toward all points of view and every kind of divergence within the country and by very reasonable methods seek a solution. But if there is no willingness thoroughly to alter feudalistic militarism and no determination fundamentally to abandon division by armed force, then no matter how much leniency there is, it certainly can have no effect, and no reasonable method can be found."

This clearly implied that the government might break the existing stalemate by force, if the Communists — referred to by Chiang in the phrase "feudalistic militarism" — did not yield on the points at issue between themselves and Chungking.

The dissolution of the Communist International in May 1943 led some Central leaders to argue that the Communists could now safely be destroyed, since the U.S.S.R. would show no interest in them. Hope also seems to have arisen in these quarters that disunity might appear in the guerrilla ranks, for on July 7, 1943 a government spokesman declared that the dissolution of the Comintern had produced a split among the Communists. One faction, he said, was inclined to accept

[3] Chiang Kai-shek, *Chung Kuo Chih Ming Yün* (Chungking, Cheng Chung Shu Chü, 1943), p. 199.

Chungking's authority, and the other to hold to Comintern views. About the same time General Hu Tsung-nan's blockade troops facing the Border Region were reinforced.

Meanwhile Japan was making new efforts to achieve peace. The details are not clear as yet, but it is known that Wu Kai-hsien, a prominent member of the Shanghai Kuomintang, who had been captured in that city by the Japanese, arrived in Chungking in the spring or summer of 1943. It was alleged at the time that he had brought with him peace proposals, which were subjected to careful discussion by elements in the government. In any event, on August 10, 1943 the Chungking censors passed a dispatch in which "well informed sources" were quoted as saying that Japan had made three separate peace feelers in the previous two months. Tokyo's proposals were said to include an offer to return to the *status quo* of July 7, 1937, with Japan giving up its aims in Central and South China in return for economic rights in North China.

While questions of peace or war with Japan and internal unity or civil conflict with the Communists were being considered anew in Chungking, foreign concern about Chinese conditions was finding public expression. In May 1943 *Life* magazine published an article entitled "A Warning about China," by Pearl S. Buck, in the course of which the author stressed the suppression of civil liberties in Central territory and the seriousness of the continuing differences between Chungking and the guerrillas. Two months later T. A. Bisson of the Institute of Pacific Relations criticized Chungking's internal policies and contrasted them with the democratic program of guerrilla China, in a *Far Eastern Survey* article called "China's Part in a Coalition War." And on July 20 in the *New York Times,* as well as in the August 1943 issue of the *Reader's Digest,* Hanson W. Baldwin, military commentator of the *New York Times,* asserted sharply that the effectiveness of the Chinese Central armies was at low ebb, and in any case had been greatly exaggerated.

These articles caused considerable discussion in the United

States, where they ran counter to prevailing optimistic views about China's war effort and internal situation. But in China they proved a bombshell. Forward-looking Chinese were heartened to see foreigners make some of the criticisms they themselves would have voiced, had they been free to do so. China's reactionaries, on the other hand, were deeply distressed, for the articles made them wonder whether civil war could be passed off abroad as "internal pacification," or the "suppression of revolt." Moreover, it had been known for some time that Washington was seriously disturbed over conditions in China, and Baldwin's articles were taken to reflect the attitude of the United States Army. It also was significant that early in August 1943 the official Soviet trade union journal, *War and the Working Class,* published an article warning that China faced the danger of civil war and possible military disaster, unless high-placed defeatists were removed from positions of power.

These issues of war and peace apparently came to a head at a meeting of the Kuomintang's Central Executive Committee late in the summer. On September 7, the second day of the session, the National Military Council published a statement charging that Communist troops had made two attacks on government forces in Shantung, one in July and the other in August. This report — clearly timed to influence the deliberations of the Central Executive Committee — suggested very strongly that War Minister Ho Ying-chin, a leading member of the National Military Council, might be in the forefront of the movement for action against the Communists, just as he had been among those connected with the attack on the New Fourth Army two and a half years before. Private reports went farther and indicated that Chen Cheng and other generals supported a policy of internal harmony.

What part Chiang Kai-shek played in the course of this debate we do not know, but on September 13, 1943 he told the Central Executive Committee: [4]

[4] *China At War* (New York), October 1943, p. 71.

"I am of the opinion that first of all we should clearly recognize that the Chinese Communist problem is a purely political problem and should be solved by political means. . . . If you share my views you should maintain the policy of leniency and forbearance which we have consistently pursued in dealing with our domestic affairs with the expectation that the Chinese Communist Party will be moved by our sincerity and magnanimity no matter in what way they may slander us nor in what manner they may try to create trouble."

The significant parts of this declaration were the phrases "political means" and "if you share my views." The former was an important modification of the threatening statement quoted from *China's Destiny* a few pages back. The latter phrase — and it appears to have been more than a formality — suggested the existence of a strong pro-civil war faction. When Chiang said, "if you share my views," he probably meant just that. For it is worth noting that the resolution subsequently passed by the Central Executive Committee did not refer to settling the Communist question by "political means." It spoke instead of "persuading" the Communists "in an appropriate manner." [5]

But the views of those opposed to civil war had won out for the time being, and in the coming months the government adopted a milder tone. On October 20, 1943 the Minister of Information, Liang Han-chao, told reporters that the attitude of the Communists had been "rather encouraging" and "there will be no civil war in China." [6] Yet, as has frequently been the case with statements made in Chungking, Liang's remarks were not published in the Chinese press, although they were circulated abroad. This suggested that, while the Central Government was concerned about mollifying foreign opinion, its actual views were another matter.

Very likely the Cairo conference in late November 1943 served as an occasion for some plain speaking on Chinese political conditions among representatives of the United States, Britain, and China. Newspaper dispatches from Cairo

[5] *Ibid.*, p. 73. [6] *New York Times*, October 22, 1943.

suggested that Chiang or members of his party were told of Allied concern over the military implications of Chinese disunity. What results such efforts may have had it is hard to say. But on February 3 Ho Ying-chin declared: [7] "There will be no civil war between the Central Government and the Chinese Communists." Chiang's plan to solve the problem by political means, he said, was "progressing satisfactorily with every chance of success." Other sources stated that high Communist officials were coming to Chungking for discussions. Ho also asserted that there were fewer Central troops about the northwestern Border Region than in the previous November. On February 16 Liang Han-chao declared that the Communists had expressed a desire to send a delegation to Chungking, and that messages of welcome had been sent to them.

The impending negotiations took a long time to arrange. But on May 3 Lin Tsu-han, Chairman of the Shensi-Kansu-Ninghsia Border Region, arrived in Sian. A week later Liang Han-chao announced that discussions were in progress there between Lin and two Central delegates: Wang Shih-chieh, Secretary-General of the People's Political Council, and Chang Chih-chung, head of the Political Affairs Department of the National Military Council. On May 17 Lin and Wang arrived in Chungking by plane. Both were cautiously optimistic, with the former saying: [8] "The preliminary talks went well, but I can't predict whether results here will be satisfactory." He added that China "must have cooperation," and said the Communists were willing to work together with Central forces against the Japanese in Honan province.

Lin saw the Generalissimo on May 19, one day before the opening of a session of the Central Executive Committee of the Kuomintang. On May 24 it was announced that Chiang had instructed the Central representatives to continue their talks with Lin. After this there was a blackout of news on the subject until June 28 when Liang Han-chao charged that in May, during the campaign in Honan, Chungking had ordered

[7] *Ibid.*, February 5, 1944. [8] *Ibid.*, May 18, 1944.

the Communist forces in North China to carry through diversionary actions, but they had neither fought nor replied to the order.

This was not the first time Chungking had made such a charge, ignoring the obvious fact that it could not expect to issue orders to the Eighteenth Group Army while maintaining a blockade against it. Public repetition of the charge suggested that the Central authorities were trying to pass the blame for recent military setbacks. Three days later, in Yenan, Chou En-lai declared: [9] "There still is considerable distance between the Government's proposals and our suggestions. The central committee of our party is considering its reply to these proposals, hoping that a rational solution will be found." A "rational solution" he defined as "one beneficial to unity in the war of resistance and to the promotion of democracy."

Meanwhile Chungking had made one small concession to the Communists and to foreign newspapermen in the capital. On May 17 a party of foreign and Chinese correspondents had been permitted to leave on a trip to the North-west, thereby breaking the news blockade on guerrilla China. But in terms of Chinese politics this was a side issue. The crucial problems that divided the two parties included the following: legality for the Communists, the size and control of the Eighteenth Group Army, the administration of the Shenkanning Border Region and the guerrilla bases, and the question of democratic, constitutional government for China.

On July 26 Liang Han-chao suggested that a partial solution of differences had been reached. Speaking for the Central Government, he took the position that the concessions it had been willing to make in May had not been far from the main Communist demands, but that the Communists had later presented a new and stiffer set of proposals.[10] On August 15 Chou En-lai expressed sharp disagreement with these and

[9] *Ibid.*, July 9, 1944.

[10] *Voice of China* (New York, Chinese News Service, mimeographed), July 27, 1944.

other aspects of Liang's statement. Charging that government forces had attacked Communist troops on a number of sectors in recent months, he said: "These incidents show that armed clashes still continue and that the danger of civil war is not yet past." [11] He also declared that "not one single concrete problem, no matter how small, has been settled," and differed with Liang on the terms the Communists had originally proposed. Chou's general point of view on the Kuomintang-Communist problem was expressed as follows:

"To win final victory over Japan the Kuomintang and Communists must unite and the existing problems between the parties must be solved immediately. For this it is necessary that the ruling authorities in the Kuomintang immediately give up their one party dictatorship and their policy of weakening and exterminating those differing from it, must at once put democracy into practice and through democratic procedures reach a fair, just solution of the relations between the parties. Only thus can success be attained, and this is the heartfelt hope of the Communist party."

On September 15 an unprecedented event took place, when Lin Tsu-han addressed the People's Political Council for seventy minutes on the subject of the negotiations. At the afternoon session General Chang Chih-chung spoke for the government. This was the first time since 1927 that the Kuomintang had accorded the Communists equality in any aspect of governmental activity. It was also the first genuine discussion of the Communist question before the Council. When the day was over, a gaping hole appeared to have been torn in the theory of political tutelage and Kuomintang superiority.

In the course of his remarks, Lin declared that the government and the Communists were fundamentally divided on the question of immediate democracy and the size and disposition of the guerrilla armies. The Communists, he said, believed that war-time mobilization could not be effective unless Chungking granted freedom of speech, legality for other parties, and local self-government. Chungking had been

[11] *New York Times*, September 24, 1944.

willing to authorize and equip ten divisions of the Eighteenth Group Army, i.e. between 100,000 and 150,000 troops, but the entire Communist armies actually numbered 470,000 regular troops, plus 2,200,000 men in the guerrilla People's Volunteer Corps. Moreover, according to his account, the government wanted the divisions it proposed to authorize to be concentrated in one area on a specific date. This, Lin asserted, would lay open to the Japanese sections of territory now patrolled by the Communists, and would expose the concentrated troops to annihilation by the enemy. Moreover, the Communists could not agree to dismiss their troops above ten divisions or to dissolve local governments behind the Japanese lines. He concluded by appealing for a coalition government in these words: [12]

"We hope the Kuomintang will abandon one-party government immediately. We would like to have a national congress called immediately to discuss national affairs openly. It should include representatives of local governments, of popular organizations and of all parties that are willing to fight the Japanese. Only then can China's total strength be concentrated against Japan."

When Chang Chih-chung spoke in the afternoon, he presented a series of documents explaining the government's position. According to the texts, Chungking had been willing to reorganize the Eighteenth Group Army into four armies, totalling ten divisions,[13] under the National Military Council, and to deal with the Shensi-Kansu-Ninghsia Border Region as the North Shensi Administrative Area. He also gave the details of proposals for concentration of the Communist forces, Central supervision of the Border Region, and disposal of the various guerrilla administrations. The documents reiterated Chungking's view that a constitutional assembly could not be held until after the war and said that the Communist Party

[12] *Ibid.*, September 16, 1944.

[13] In a speech of September 16, 1944 to the People's Political Council, Chiang Kai-shek declared that the government might consider recognizing twelve divisions, "if there are really too many troops." *Voice of China*, September 20, 1944 (Special Release).

"must once more express its sincerity to carry out its four pledges of 1937." If the Communists accepted the suggested points, the government was willing to agree verbally to consider withdrawing the garrisons blockading the North-west and to release, under guarantee, Communists imprisoned on charges of violating the law.[14]

The breakdown of negotiations left matters in a formal sense more or less as they had been before, but it was becoming more difficult for Chungking to persist in its course. The United States was exerting considerable pressure for unity — as was indicated by Vice President Wallace's visit to China late in June 1944, the dispatch of an American military mission to the North-west in July, and the circumstances attending the recall of General Stilwell from his command in the China-Burma-India theatre and his post as Chiang Kai-shek's Chief of Staff, in October 1944. Still more important was the fact that the Chinese people themselves were demanding changes. But events were moving swiftly, attitudes were altering rapidly, and Chungking faced the necessity of reaching quick decisions if it was to maintain its authority in the face of Japan's military advances and China's internal deterioration. Everything indicated the development of a new crisis unparalleled since Sian. Whether Chungking would prove as flexible as the Nanking Government had been at that time remained to be seen.

The existence of the crisis was suggested on September 23, when the Communist radio at Yenan broadcast the following English dispatch to North America: [15]

"A Yenan observer, commenting on the China war theatre, said that, to prevent the collapse of the regular front, it is essential immediately to convene a national conference of all parties, groups, public bodies and local anti-Japanese forces, to abolish immediately the Government of the Kuomintang, to reorganize the National Government and High Command, to expel all trai-

[14] *Voice of China*, September 18, 1944 (Special Release).
[15] *New York Times*, September 24, 1944.

tors, defeatists and Fascist elements and, finally, to place the military command and civil Government in the hands of people who represent the popular will and can strengthen the war effort.

"It is only thus that the advance of the enemy can be checked and the dangerous situation of the country saved."

These proposals, which summarized in sharp fashion the main decisions sought by the Communists, reflected the fact that friction was no longer merely a Kuomintang-Communist matter, but that the entire nation was aroused about the war situation. And they contained more than a hint of grave events in the making, if Chungking proved unwilling to alter its policies.

The strength of the forces resisting change became clear within a few weeks of the outspokenly critical meeting of the People's Political Council in September 1944. The government again began to clamp down on freedom of speech and press, withdrawing many of the concessions so briefly extended. It was significant that in mid-October, at the order of the Generalissimo, the National Military Council decided to refuse all further applications of correspondents to visit the North-west. In this way the news blockade on the Communist areas was re-established. It was also about this time that the crisis between General Stilwell and Chiang Kai-shek came to a head.

Subsequently, on October 25, a Chungking spokesman accused the Communists of having launched attacks against Yen Hsi-shan's forces in August and September. On October 31 the Yenan radio reported that Lin Tsu-han had sent a letter to the Kuomintang representatives, Wang Shih-chieh and Chang Chih-chung, with the request that it be forwarded to Chiang Kai-shek. Declaring that a "grave crisis exists everywhere," Lin asked for recognition of the Communist armies and the "organizations behind the enemy lines." He urged the abandonment of one-party dictatorship, and the calling of an emergency national conference of all groups to form a coalition régime. The Communists, he said, "welcome Chiang

Kai-shek's statement to the People's Political Council that the problems will continue to be solved through political means." [16] The unexpected return of the Communist leader, Chou En-lai, from Yenan to Chungking, on November 10, excited speculation about a possible renewal of the negotiations that had been broken off in October. On November 15 Liang Han-chao told correspondents that Chou's return was a clear indication that discussions were continuing.

POSTSCRIPT

Since this chapter was written the Chungking Government has undergone changes designed to strengthen its internal position and improve its relations with the United States. The first move was made on November 20, when the three top officials at whom the sharpest criticism had been levelled in China and abroad were withdrawn from the foreground of the political scene. Ho Ying-chin was succeeded by Chen Cheng as Minister of War, and H. H. Kung, Minister of Finance, was replaced by his Vice Minister, O. K. Yui. Chen Li-fu, yielding the Ministry of Education to Chu Chia-hua, became Minister of Organization of the Kuomintang, a post previously filled by his brother, Chen Kuo-fu.

The replacement of the ineffective Ho Ying-chin by Chen Cheng, an advocate of military reform, seemed of some significance, although Chen's effectiveness would necessarily depend on the degree of his military authority and the willingness of the government to introduce general political and economic changes. The other shifts were of little importance, for Chu Chia-hua, previously Vice President of the Examination Yuan, was no less anti-liberal than Chen Li-fu, and O. K. Yui had been one of Kung's adherents. Moreover, the Chen brothers continued to dominate the Kuomintang machine, while Kung retained the Vice Presidency of the Executive Yuan and remained, at least nominally, in charge of the four government banks. Similarly Ho was retained as Chief of Staff and was

[16] *New York Herald Tribune* and *New York Times,* November 1, 1944.

even appointed commander of the Chinese forces in the critical Kwangsi-Kweichow area.

The highly equivocal character of these changes in personnel was a topic of conversation in Chinese political circles. In fact, the *Ta Kung Pao* of December 4 demanded further reforms, declaring: [17]

"Those whom the whole nation hates must be dismissed. Nonmembers of the Kuomintang must have a chance to participate in national affairs and policy-forming, thus giving the government new life."

On the same day it was announced that Foreign Minister T. V. Soong had been appointed Acting President of the Executive Yuan, with the Generalissimo remaining as President of the department. This was a setback to H. H. Kung, brother-in-law of both Soong and the Generalissimo.

These events occurred in the midst of a very difficult military situation, for in late November and early December the Japanese pressed on into Kweichow province from their newly won bases in Kwangsi, threatening the key communications centre of Kweiyang. With the advice of American representatives and the aid of the United States air force, Chungking now shifted a portion of its blockade troops from the Northwest to meet the advancing enemy forces. The Japanese, who had sent only a small number of men into Kweichow and had over-extended their supply lines, carried through a swift retreat.

Meanwhile Chungking-Communist negotiations were continuing along their accustomed course, marked by occasional statements but no apparent results. On December 6 Wang Shih-chieh, successor to Liang Han-chao as Minister of Information, disclosed that a new exchange of proposals had taken place and expressed considerable optimism. A more sober note was sounded on the following day by Chou En-lai, who declared that Chiang Kai-shek had rejected the Communist pro-

[17] *New York Herald Tribune,* December 5, 1944.

posal for a "democratic coalition government" and had made counter-proposals.[18] These Chou subsequently took with him when he returned to the North-west. The Communist reaction was voiced by Mao Tse-tung, Chairman of the Chinese Communist Party, on December 15, when he stated that the negotiations had not "attained the least result." [19]

A month later the Generalissimo declared that "the Chinese people generally are tolerant" concerning the Communist question. "The Government's policy to employ political means to secure a peaceful settlement has been consistent," he said. "This policy eventually will succeed because it is in line with the good sense of the people." [20] The long-range tone of these remarks did not suggest that any immediate results were to be expected. On January 24 Chou En-lai returned to Chungking from Yenan. In an interview given before leaving the North-west he stated that his trip was for the purpose of proposing to the government, the Kuomintang, and lesser groups organized in the Federation of Chinese Democratic Parties that a preparatory meeting of all parties and groups be held to provide the basis for a National Affairs Conference and a coalition government.

Chou also listed various proposals he intended to make: [21]

"Immediate abolition of one-party dictatorship, establishment of a democratic coalition government and a united high command, recognition of the legal status of all anti-Japanese peoples and groups, repeal of all laws suppressing the people's freedom, abolition of all secret police departments, cessation of secret police activities, release of political prisoners, withdrawal of troops surrounding the Shensi-Kansu-Ninghsia border region and attacking the 8th Route and New 4th Armies, and recognition of the legal

18 *New York Times,* December 8, 1944.

19 *New York Herald Tribune,* December 18, 1944.

20 Interview of January 18, in *New York Times,* January 19, 1945.

21 *New York Herald Tribune,* January 26, 1945. In proposing a coalition government, the Communists desired representation in the régime for the lesser political parties, as well as for themselves. While negotiating with the government, the Communists had consulted spokesmen of the Federation of Chinese Democratic Parties with regard to the issues involved.

status of anti-Japanese troops and popularly elected governments in the liberated areas."

On February 14 Wang Shih-chieh disclosed that the renewed negotiations had brought no agreement. Chungking, he said, had offered to legalize the Communist Party; include a Communist in the National Military Council; add representatives of the Communists and other groups to the Executive Yuan; establish a committee to consider reorganizing the Communist armies; and convene a conference of parties.[22] Chou En-lai replied that Wang had not told the whole story. The offer of legality, he said, depended on prior surrender of the command of the Communist troops to the Kuomintang. Membership in the National Military Council and Executive Yuan he characterized as meaningless, since true power lay elsewhere. Similarly, the conference proposed by the Kuomintang would have only consultative and advisory powers, while the Communists desired an assembly that would establish a supreme coalition council and end one-party rule.[23]

While negotiations were breaking down, other significant developments were taking place. The Communist armies, for example, were engaged in establishing the political and military framework of guerrilla warfare in the areas recently lost by Chungking to the Japanese. A second noteworthy development was the Generalissimo's declaration in a New Year's message that he was "ready immediately to propose to the Central Executive Committee of the Kuomintang that as soon as the military situation has become so stabilized as to enable us to launch counter-offensives with greater assurance of victory, we should convene a People's Congress to adopt a constitution, which would enable the Kuomintang to transfer the power of the Government to the people." [24] Subsequently, on January 8, the decision was reached to convene a Kuomin-

[22] *New York Times,* February 15, 1945. The proposed committee was to consist of one Central and one Communist representative, with an American officer presiding, if the United States Government was willing.

[23] *Ibid.,* February 16, 1945.

[24] Release of Chinese News Service (New York), January 2, 1945.

tang congress in May — the first regular party congress since 1935. The purpose was presumably to consider arrangements for a National Congress which would meet in November 1945.[25]

Still another factor in the political scene was the prospect that the military situation would improve in 1945. Although the Japanese continued to seize Chinese territory, hope could be drawn from the opening of the Ledo Road, American victories in the Philippines, and the progress of construction work on a pipeline from Calcutta to Kunming. Moreover, with American aid, China's war production was being increased, and steps were being taken to create a more effective army.

As a result of the various changes in Chungking, Chinese relations with the United States entered a calmer phase than at the time of General Stilwell's recall. But the basic political question of Chinese unity, with its attendant military implications, remained unsettled, for none of the alterations in administration — whether of personnel or policy — was of a decisive character. The modifications that took place could be interpreted as laying the basis for genuine unity. But they appeared more and more to have the restricted purpose of strengthening the régime so that it might feel itself secure in rejecting a coalition. That things had not really altered very much seemed to be confirmed by the appointment of Ho Ying-chin, in February 1945, as Commander-in-Chief of all Chinese ground forces.

[25] For a discussion of the nature of the proposed constitution, see Part I, Chapter IX. One unsettled question of the greatest importance is whether an entirely new National Congress will be elected this year, or whether the large number of delegates elected under pre-war conditions for the deferred Congress of 1937 will be retained.

Part II.

FIGHTING FRONTS

I

JAPAN'S WAR IN CHINA

"If [it is true that] the Japanese can go anywhere they want and take any position that suits their grand strategy . . . a map of their present positions in China will show that they choose to suffer grave inconveniences and dangers."

RODNEY GILBERT, *New York Herald Tribune*, August 16, 1943.

"Japan holds nearly all the worth-while parts of the country, all that she wants to hold. . . . Japan has a virtual strangle hold on China's economic life, on all her principal ports and communications and — in the North — on some of her principal mineral deposits."

HANSON W. BALDWIN in *The Reader's Digest* (Pleasantville, N. Y.), August 1943, p. 64.

THERE HAVE BEEN two extreme views of Japan's war in China. The older and — until recently — the more popular one was that, after important initial advances, Japan became thoroughly and inextricably bogged down in a profitless stalemate. The Chinese-Japanese war, according to this conception, could be explained by a single, unvarying military formula: "The Japanese move up troops; a widely heralded attack begins; the Japanese advance menacingly; nothing is heard for a while and then in some strange way the Japanese seem to be back where they were before." [1] In opposition to this stands the recent counter-view that the Japanese can do almost anything they please in China — that if there are objectives they have not taken, this can only be because, for some reason, they do not wish to make the effort or have not yet gotten around to it.

There are two things to be said about these theories. First,

[1] *New York Times* editorial, March 10, 1943.

they reflect different stages of the China war. The view of the conflict as a deadlock in which the Japanese made few gains was most appropriate in the period of stalemate from the end of 1938 until Pearl Harbor, after which the Chinese showed increasing signs of being seriously worn down by protracted war. The view that Japan can roam in China at will reflects conditions since Pearl Harbor, particularly military developments in 1944, when Japan launched a number of important and successful offensives.

Secondly, it must be noted that neither approach is entirely correct. Perhaps a balanced picture can be secured by combining the theories and saying that Japan has the power to do most of the things it wants to do in China, but that one vital objective has always eluded it: victory.

It is, of course, sometimes asserted that China has avoided defeat only because Japan has had to save its strength for war with the United States, Britain, and possibly Russia. This is presumably a reflection on the Chinese. But the argument is not much different from damning the Russians, British, or Americans because they, too, could not have fought the war single-handed. Where would any one of the Big Four of the United Nations be if the others had gone down or been outside the battle? Certainly we shall not have learned much from these years of conflict if we do not understand that no one country is capable of waging this war successfully, or of keeping the peace by itself.

It is also a fact that the war in China, viewed as a whole through its seven and a half long years, represents a tremendous failure of Japanese strategy. What the Japanese have won they have secured largely by superior force. They have consistently underestimated the strength and resiliency of the Chinese. In the early stage of the conflict Japan thought victory could be won by seizing the area bounded by the Yellow River, and by taking the capital at Nanking. Japanese troops in China were never assembled in overwhelming force, with the result that the Chinese armies always escaped encircle-

ment, no matter how badly they might be mauled in the process.

Japan was even more inept in its political strategy. At many points in the war important Chinese leaders would have been willing to conclude peace. But the Japanese militarists, slaves of an aggressive fascist mentality, did not understand the meaning of compromise. Knowing too well how to rape, bayonet, and bludgeon conquered peoples, and despising the "weakness" of the "inferior" Chinese, they were incapable of limiting their ambitions. It was in vain that Japan's German friends warned of the necessity of compromise, of not continuing to fight the only forces in China with which peace could be made. The Japanese, in the words of an old Chinese proverb, were riding the tiger and could not dismount.

At the same time, the Chinese deserve high praise for their success in maintaining resistance. They effectively traded space for time by withdrawing into the interior, leaving to the invader smoking houses in ruined cities. They pinned down many hundreds of thousands of Japanese troops, made further penetration of their country difficult after the initial advances, and, on occasion, won important victories. At Pinghsingkuan, in September 1937, Eighth Route Army forces ambushed and wiped out 2,000 Japanese troops. At Taierhchwang, in April 1938, Central armies, with guerrilla support, administered a stinging defeat to the Japanese. Moreover, the Chinese had fought well at Shanghai for three months until they were outflanked and forced to retire, in November 1937. And three times in later years — October 1939, October 1941, and January 1942 — they frustrated the enemy in attempts to take the Central China communications centre of Changsha. These victories, it is true, were all defensive in nature, and in each case the city was ultimately lost. But Japan paid a price, and it was not cheap.

Japan's setbacks, however, were frequently magnified out of all resemblance to the truth by the process of attributing to the enemy larger objectives than he had in mind. Thus, when

Japan launched operations in west Hupei province in May 1943, a Chinese military spokesman declared at a press conference that this was the beginning of an effort to reach Chungking. In the course of the campaign no move was ever made in that direction, but undoubtedly the impression was left in some minds that the Japanese had been thwarted in designs on the Chinese capital.

It is necessary to recognize that in recent years — at least before 1944 — the Japanese have often pursued extremely limited objectives, seeking to weaken the Chinese rather than to win new territory. For the seizure of territory, especially where guerrilla resistance appears, means pinning down large additional garrisons, which Japan has preferred to keep free for use elsewhere. Consequently, the Japanese have frequently considered it enough to destroy key towns and rail junctions without attempting to stay. Nor have they been unaware of the training value for their forces of limited battles on the China front. Particularly important to them has been the disruption of Chinese economy and civilian life. Time after time they have made drives to seize the rice harvest, to interfere with spring planting, or to sack important trading centres. For example, in December 1943, when retreating after an offensive in Central China, they tried to carry off the rice harvest by boat, and American planes had the task of sinking as many of the boats as possible. The year before, they had waged a campaign in Chekiang province, probably with the partial objective of cutting off Chekiang salt from other sections of Free China.

Drives of this sort have aggravated the effects of the general blockade on China's economy and have broken up the country's communications. Moreover, when the Chinese return to the areas temporarily given up they are faced by tremendous problems of repair and relief, arising from Japanese depredations. The mere fact that a place has been retaken obviously does not mean that things are as they were before. Nor should it be assumed that, even when the Japanese retreat from an

area, they yield all territory seized. A careful reading of the communiqués indicates that some Chinese cities are usually retained. When, for example, Tokyo withdrew its forces from certain newly invaded parts of Chekiang and Kiangsi in the summer of 1942, Kinhwa, capital of Chekiang and an important economic centre, was not surrendered. Yet newspaper reports gave the impression that the Japanese were right back where they started.

In 1944 new military factors appeared on both the Chinese and Japanese sides. In May Chinese forces, benefiting from American training and equipment, initiated their first genuine offensive of the war, when they drove toward the Salween River in Yunnan province. This campaign, in which the Chinese subsequently crossed the Salween and forced the Japanese back from various points on the Burma Road, was coordinated with operations by Chinese, British, Indian, and American troops in northern Burma. Chinese participation was in line with General Joseph W. Stilwell's view that the Chinese soldier is innately the equal of any other fighting man in the world, and simply needs proper training and equipment to prove it. In accordance with this conception, the United States had set up training centres for the Chinese in West China and, with the co-operation of the British, in India.

The Chinese counter-drive was necessarily on a small scale, and could not compare in importance with the activities of the Japanese, who had already launched their most serious offensive in more than five years on the China front. Fighting began in Honan province in April, and toward the end of May, Loyang, the provincial capital, fell to the invaders. In June Changsha in Hunan was also lost, as was Hengyang early in August. In September the Japanese took the port of Wenchow, in October the port of Foochow, and in November the crucial Kwangsi cities of Kweilin and Liuchow. Like a poison in the blood stream, the enemy within a brief period had coursed down the length of China from north to south. It is at present no longer possible to talk of a military stalemate

in China as far as the forces of the Central Government are concerned, although the guerrilla forces continue to hold the Japanese, and even to drive them back.

As a result of their campaigns in 1944, the Japanese took all of the Peiping-Hankow railway that remained in Chinese hands and greatly extended their hold on the Canton-Hankow line. The effect of these operations was to separate Chungking — although by no means completely — from important areas that had once been part of Free China, to improve the enemy's transport facilities on the China front, and possibly (the obstacles were formidable) to lay a basis for through rail transportation from Manchuria to South China, or even into Indo-China. At the same time the invaders occupied, cut off, or forced the destruction of the advanced air bases of the United States Fourteenth Air Force in eastern China. The general purpose of the Japanese seemed to be either to knock China out of the war or, failing this, to make China as useless as possible for an ultimate Allied counter-offensive. In the latter objective, at least, Tokyo was extremely successful, for it delivered shattering blows at the armed forces of the Central Government, exposing the deterioration that had taken place in Chungking's military power during the years of stalemate.

Japan had good reason to be in a hurry in China, for it knew that Germany's doom was sealed. And on the horizon there loomed the United States Navy, pressing forward with great speed toward Japanese and Chinese waters. China was the only theatre in which Tokyo still held the initiative. The Japanese therefore were determined to do everything in their power to increase the difficulties in the way of American landings on the South China coast and impede the use of China for air attacks on the Japanese homeland.

The responsibility for China's desperate situation rested partly on the United Nations, partly on China, and partly on certain unavoidable circumstances of the war. The United States and Britain, for example, could not escape responsibility for having sold essential war supplies to Japan in the early

years of the Far Eastern conflict, and for having been wanting in their material support of China at that time. Moreover, in 1942 and part of 1943 Allied authorities had found it necessary to change the allocation of equipment pledged to China, but required elsewhere — for example, in North Africa. Whether these actions were in every instance justified it is impossible to say. But under the strategy — the correct strategy, be it noted — of defeating Germany first and then concentrating against Japan, China was bound to meet serious difficulties in securing supplies. This was all the more true because China was the most isolated of the United Nations and, in any event, would have to face acute shortages as long as no satisfactory land route existed between itself and its Allies.

The nature of the supply situation was indicated in October 1944, when official United States figures revealed that China had received less than one-half of one per cent of American lend-lease materials. Moreover, most American supplies entering China went to the air force, and only a small fraction reached the Chinese land armies. A spokesman of the National Military Council in Chungking emphasized this fact when he declared that the tonnage of American supplies delivered to the forces in eastern China since Pearl Harbor would not sustain an American or British division in combat for one week.[2]

What the Chinese could do when given proper training and supplies was illustrated by their troops operating in North Burma in 1943–4. These troops were flown out of China in United States transports and then trained and equipped at Indian bases with American weapons. Young peasants — often boys of eighteen or nineteen years, weighing little more than one hundred pounds — were taught to use tanks, mortars, artillery, trucks, jeeps, and signal equipment. Although their training period was short, they did well.

It must be recognized, however, that whatever responsibility the Allies bear for past mistakes, they are now attempting as rapidly as possible to surmount the difficulties of bringing

2 *New York Herald Tribune,* October 3, 1944.

aid to China. They are also — especially the United States — delivering heavy blows at Japan. The offensive activities of the United States air forces in China — largely of nuisance value in 1942 — later became an important military factor, with American airmen operating over thousands of miles from the Burma front to Japan itself. Nor should it be forgotten that American offensive action in the Pacific is part of China's war, not only because it draws off some of Japan's strength, but also because it brings closer the day when a large port for the delivery of supplies will be opened up by an American invasion of the South China coast.

While admitting the shortcomings of Allied policy in the early years of the war, one cannot ignore China's own responsibility for many of the things that have happened. Chungking's failure to deal as effectively as it might with economic problems has increased China's dependence on supplies from abroad. Political disunity between the Central Government and the Communists has also weakened the war effort. And some of the circumstances of the Chinese defeats in 1944 have revealed grave shortcomings in the leadership of the Chinese armies. For example, in Honan province, in April–May 1944, a Japanese force not exceeding 100,000 men broke up and defeated Chinese divisions containing seven times as many troops. A large part of the trucks available to the Chinese Army in Honan were diverted at the beginning of the campaign for the evacuation to Sian of the families and possessions of army officers and civilian officials. In order to provide the army with military transport, the oxen and ox carts of the local peasantry were then commandeered. This mistreatment of the local population, which had suffered from a terrible famine two years before (partly because of requisitioning of grain by the Army), resulted in the peasants' disarming their own troops. Subsequently, General Feng Yu-hsiang, veteran Chinese leader, commented on the situation in these words: [3]

[3] *Shanghai Evening Post and Mercury* (New York), November 3, 1944.

"One reason we suffered a setback in the Honan campaign is that our soldiers made themselves enemies of the people. . . . Unless we make far-reaching reforms now we will very soon see the disintegration of our country."

There is also no doubt that in the disillusionment following Pearl Harbor, many Chinese leaders came to feel that China had done its share, and the brunt of the war should now be borne by others. At the same time there were some who held a different view. General Chen Cheng, for example, urged Chungking to put its own house in order. And Mme Sun Yat-sen declared in outspoken terms: [4]

"The best of our fighters do not expect to rest on past efforts. All they ask is that the battle be fought with maximum effect on the whole global front. They want no exemption for themselves just because they have fought longer. They disagree sharply with those of our countrymen who think that now others can be left to win our war. They feel that our responsibility to our partners is also our responsibility to ourselves — that we are entitled to claim aid only if we use it, and all our strength, to fight harder than before."

This was also the view of the forces of resistance all over the world, whether in the war against Germany or against Japan. It was the view that had sustained China in its long struggle and would finally bring it through to victory.

[4] *In Guerrilla China* (Report of China Defence League, Chungking; published by China Aid Council of United China Relief, New York, 1944), pp. 5–6.

II

THE CHINESE SOLDIER

"No large force of Chinese has ever in modern times fought any enemy on equal terms. No more than very small units have ever enjoyed, at one and the same time, as good equipment as the best, competent and trustworthy leadership, a respectable supply service, good treatment and a good cause."

Editorial in *New York Herald Tribune*, March 9, 1944.

PEOPLE DO NOT LAUGH at Chinese troops any more — least of all the Japanese. In the days of the decrepit Manchus and the corrupt war-lords who succeeded them, Chinese armies were often ridiculed for preferring the show of combat to actual fighting, and stories were told of generals whose aides held umbrellas over them in the heat of battle to shade them from the sun. But what the scornful observer forgot was that these were venal leaders and mercenary troops, for whenever Chinese soldiers have had a fighting cause they have not lacked fighting spirit. They proved this in the Taiping Rebellion, a mighty peasant movement that almost succeeded in sweeping away the Manchus in the middle of the last century. They proved it anew in the 1920's when the nationalist armies under Chiang Kai-shek drove northward from Canton, scattering the war-lords. And, of course, they have demonstrated it time after time in their resistance to the Japanese since 1937.

But what is the average Central soldier like today? How did he get into the Army? How has he lived in these desperate war years?

Sometimes he is an apprentice, or possibly a worker, but in the vast majority of cases he comes from the peasantry and the countryside. For just as the peasants have borne the main

economic burden of resistance, so it is their flesh that has been torn and their blood spilled by the enemy's bombs and bullets. In theory our typical soldier was drafted under the Conscription Law, which requires almost all men from eighteen through forty-five to render military service. But practice is quite different, for a system of general conscription has not been effectively established, and induction is often far from an orderly, well-regulated procedure. There are many loopholes in the operation of the law, and it is common for sons of the wealthy to escape service through bribery. On the other hand, prospective peasant conscripts are frequently rounded up in indiscriminate fashion by armed groups of soldiers, roped together — so that they will not desert — and sent on their way to the front.

The average peasant soldier's introduction to the army is hardly a happy one. Not only is he likely to be marched from place to place over long distances without adequate food or clothing, finally arriving at the front in wretched physical condition (assuming that he survives the journey), but his treatment by his officers often leaves much to be desired. So serious is this situation that the government long ago began to issue orders on the subject. In June 1943, for example, the Chinese Ministry of War laid down certain conditions for the treatment of recruits. Since these directives are more revealing than any extended discussion could be, the *New York Times* dispatch summarizing them is here quoted in full.[1]

CHUNGKING, China, June 11 — New regulations, designed to improve the treatment of recruits in the Chinese Army, were published today by the Ministry of War. In addition to government supplies, recruits will be permitted to bring mosquito nets, blankets, uniforms, shoes and other personal articles and officers who confiscate things brought by the recruits will be severely punished. The men will be permitted to bring pocket money.

Every soldier is entitled to twenty-four ounces of rice a day in addition to vegetables and occasionally meat. No sand or other foreign matter may be added to the rice. Soldiers are encouraged

1 Brooks Atkinson in *New York Times*, June 12, 1943.

to cultivate their own vegetable gardens to give variety to the menu. Officers are required to eat at the men's mess.

The Ministry recommends that temples and other public buildings be used for barracks and directs that enough hay be provided when the men have to sleep on the floor. Under no circumstances are the men to be locked in at night. Officers are required to share their men's barracks.

When on the march officers are required to march with their own units and care for sick and tired soldiers. No day's march is to exceed 18½ miles and the men must have a day's rest after three days' marching.

The men may bring their own emergency medicines to supplement the ordinary medicines stocked for soldiers.

Although officers are permitted to order their men to perform labor services for their own units or for places where they are stationed, such work must not interfere with their training and officers are not permitted to accept compensation for work done by the men. To make life less monotonous and more easily bearable the Ministry orders officers to provide amusement and recreation.

Ten months later, in April 1944, Chiang Kai-shek found it necessary to order that recruits receive warm bedding and clean quarters and no longer be tied with ropes or put behind bars to prevent desertion. At the time these new instructions were issued the Chinese press was waging a campaign to eliminate "some less desirable aspects of our Army." [2]

In the summer of 1944 the Generalissimo and other important military leaders drew up plans for extensive change in the armed forces. Food and medical service were to be improved, the conscription system overhauled, and methods of transmitting orders from top to bottom simplified. In a report to the People's Political Council on September 16 Chiang declared that the livelihood of soldiers must become at least as good as that of people in the rear. To raise money for this purpose, the government intended to disband poor-quality troops and at the same time urge rich landowners and wealthy men to contribute surplus rice to the army. Subsequently a special Minister of Conscription was appointed, with the announced

2 *New York Times*, April 20, 1944.

purpose of simplifying the draft procedure and fighting corruption.*

Meanwhile, life continues to be hard for the Chinese soldier. His official monthly pay is a mere pittance, and he could hardly survive if his normal ration of 1½ pounds of rice a day and occasional meat and vegetables were not supplemented by subsidiary rations. Lack of food has affected his physical well-being and fighting ability, for as far back as the early part of 1943 it became known that some Chinese troops found it difficult to engage in night operations, because diet deficiencies had impaired their vision. In the summer of 1944 it was reported from the Kweilin battle zone that the physical condition of the average soldier in that area was below that of the surrounding peasantry. Clearly one important way to raise the combat efficiency of the Chinese soldier would be to feed him better. What a decent diet would be like is indicated by the rations of Chinese troops training in India: one-half pound of meat, one-half pound of vegetables, and two pounds of rice daily.

The Chinese soldier's clothes are also quite inadequate, and he has nothing that will compare with the outfit of an American private. He marches along barefoot or in straw sandals in a faded blue uniform which does not match that of his fellows. His few articles of clothing are thin, flimsy cotton products, and he is lucky, indeed, if he possesses a cotton-and-wool blanket turned out by the Chinese Industrial Cooperatives. In every respect he is a victim of the conditions that have produced China's savage inflation — lack of supplies from abroad, the low level of domestic production, hoarding and profiteering, and the shortage of modern means of transport.

* After General Chen Cheng became Minister of War in November 1944 steps were taken to improve the distribution of food and other supplies. The Chungking radio announced on February 1, 1945 that about a third of China's military personnel would be dismissed, many superfluous military organizations abolished, and the scale of pay for officers and men increased. The aim was to raise Army efficiency and save money to create better conditions among the troops. But it remained to be seen whether Chen Cheng actually had the power to carry through significant reforms.

His equipment leaves as much to be desired as his food and clothing. Central divisions are armed mostly with rifles, machine guns, and trench mortars. There is little artillery. A Chinese sergeant who fought in the bitter Changteh campaign of November–December 1943 told a group of foreign correspondents that the Japanese mortars were of longer range than the Chinese and that the enemy had three times as many mortars per company. To make their ammunition last, the Chinese forces followed "three rules when not to shoot" — not until there was a good target, the enemy could be seen, and he was certain to be killed. Although hand grenades might be used reluctantly against a group of four Japanese, only against five or more were they employed without hesitation.[3]

Obviously, the conditions faced by the Chinese private are entirely outside the experience of American, British, Russian, or other modern armies. Moreover, the typical Chinese soldier is a man who has been cut off completely from his family (he is usually illiterate and cannot communicate with his people), is given no furloughs (he would have to walk home, probably starving on the way), and who receives, at best, inadequate treatment when sick or wounded, since there is an extreme shortage of doctors, nurses, and medicines. (On the Salween River front in April 1943, gauze was so scarce that old dressings were soaked in disinfectant and used again as long as possible.) Under the circumstances it is not surprising that malaria, gastro-intestinal ills, and malnutrition are serious problems for the Chinese Army, and that scabies is widespread.

These conditions are unsatisfactory from both a Chinese and an American point of view, but it must be recognized that in some ways they are close to the conditions of civilian life to which the soldier was previously accustomed. The Chinese peasant has never eaten well and does not expect to eat well in the Army; he is not used to modern medicine and will hardly notice its absence; he is accustomed to impressment into mili-

[3] *Christian Science Monitor*, January 7, 1944.

tary service and, however distasteful it may be, generally accepts it as the way of the world. Moreover, never having handled the most modern equipment, he does not miss it, even though he is deeply appreciative when it is made available to him. This is not to say that the circumstances under which the Chinese soldier fights have no effect on him. On the contrary, they limit his effectiveness, lower his morale, and cause him to desert. The counter-factors just mentioned simply help to explain why he is able to go on at all under conditions that other armies would find impossible.

Undoubtedly it is of the utmost importance that the situation of the Chinese Army be improved, not only by greater foreign aid, but by reforms from within. For as the experience of the Eighth Route and New Fourth Armies [4] shows, the Chinese peasant, who very often fights under the worst of conditions, can perform prodigies of valour when he is treated well and the purposes of the war are closely linked with his own self-interest as a peasant, agricultural labourer, or artisan.

There is very little political training in the Central armies, certainly nothing that will compare with the training given the regular and guerrilla forces in the North. Yet something has been done in some units, as is witnessed by a collection of questions and answers circulated in pamphlet form by the command of a unit from Kwangsi Province. Several of the questions asked and the accompanying answers will indicate the nature of this manual, which was found on the battlefield outside Changteh in December 1943: [5]

"Who is our enemy? — Japanese imperialism.

"How can we defeat the enemy? — By following our leader and fighting to the end.

"How can the people support the fight to the end? — By contributing their money and energy.

"How can order be maintained in the interior? — By strengthening the militia and clearing up the traitors.

[4] The Eighth Route and New Fourth Armies are discussed in Chapter 4 of this section.

[5] *Christian Science Monitor,* February 26, 1944.

"What is to be done when the enemy advances? — Cut his supply lines and start guerrilla fighting.

"How must our Province and the whole of new China be reconstructed? — By the enforcement of democratic self-government and the realization of Dr. Sun Yat-sen's Three People's Principles.

"What is the future of China? — Certain victory and certain success of reconstruction."

This kind of indoctrination is good, but unfortunately it occurs only on a small scale. Moreover, its success inevitably depends on the degree to which the soldier sees the "new China" and "democratic self-government" enter into the circumstances of his own life and that of the people from whom he comes.

❀ III ❀

TOWARD A MODERN ARMY

The "will to fight and the spirit of anti-Japonism [of the Chinese troops] have not died out nor cooled down. They have been persistently moved and led by the same sentiment as ever against Japan."

From a statement by the Bureau of Information of the Tokyo War Department. *Tokyo Gazette,* April 1940, pp. 382–3.

BEFORE PEARL HARBOR Americans showered praise on China's armies. More recently there has been a rising tide of criticism in this country — not of the Chinese common soldier, who is universally respected for his endurance and bravery, but of his officers and the general conditions prevailing among the Chungking forces. This criticism first came to the attention of a wide public through an article entitled "Too Much Wishful Thinking about China," written by Hanson W. Baldwin, the well-known military commentator. In the course of his critique Mr. Baldwin declared that China [1]

"has as yet no real army as we understand the term; most of her troops are poorly led and incapable of effectively utilizing modern arms. They require intensive and protracted training and capable leaders bound together by a common loyalty to a common cause. Today there are few such leaders; too many of them are still old war lords, in new clothing, for whom war is a means for personal aggrandizement and enrichment."

These and other American statements caused a furor in China. In some Chinese circles the charges were bitterly assailed; in others they were regarded as American views to which China should pay attention, regardless of whether every criticism was warranted.

1 *Reader's Digest* (Pleasantville, N. Y.), August 1943, pp. 63–4.

In judging fairly a country's institutions — for example, its armed forces — it is not enough to be aware of current conditions. The observer must also know something of the historical background and the tendencies that exist for the future. The first standard of comparison for the Chinese armies of today is to be found in the Chinese armies of yesterday. The only proper basis for criticism lies in estimating to what extent the Chinese armies fall short of what they might do under the conditions they now face — not in what they could achieve if China had the industrial power of the United States or Britain.

The first fact to be recognized is that China has never had a modern army in the Western sense, for it has lacked the necessary economic and political conditions. Under the decaying Manchu Empire, which armed some of its troops with bows and arrows, the military establishment was riddled with corruption and inefficiency. Lacking the power to control the entire country by outright force, the Manchus protected themselves by encouraging weakness in the various regions of China, and extolling the virtues of pacifism. Consequently, when the imperial power was finally overthrown in the Revolution of 1911, there was no strong central army capable of keeping the country together.

Within a few years there sprang up a multitude of provincial militarists who waged petty wars of aggression against each other with mercenary troops. In the mid-twenties nationalist forces under Chiang Kai-shek crushed some of these militarists and weakened others. But the new Chinese Central Government that was set up at Nanking in 1927–8 was engaged in civil war from the day of its birth. Only on the eve of resistance to Japan did internal strife come to an end. In the quarter of a century between the overthrow of the Manchus and the Japanese attack, China lacked the combination of economic strength, progressive policies, and internal peace needed for the creation of a modern national army.

The problems faced in building a Chinese army are sug-

gested by the diversity of schools in which Chinese officers have studied. Early in the century many went to Japanese military colleges. Here, for example, Chiang Kai-shek and other top generals obtained important training. Later, in the '20's, the Russians supplied military advisers and arms to the revolutionary nationalist forces, and for a while Chiang visited the Soviet Union, where he studied military organization. In 1927–8 the Kuomintang, the official political party, split with the Chinese Communists, and relations with Russia were broken. Soon after, German advisers were taken on. The Germans instructed Chiang's troops throughout the period of Kuomintang-Communist civil war and remained in China until the summer of 1938, when Hitler called them home. An Italian air mission also was in China during 1933–7, and instructed Chiang's armies in military aviation. Following the initiation of national resistance to Japan, the Russians again began to advise the Chinese, and at the same time some Americans were employed privately by the Chinese Government. Since Pearl Harbor Americans have been introduced on an important scale to train Chinese officers and men.

This confused, patchwork situation, the great variety of unstandardized weapons — mostly out of date — that were sold to China by a host of nations, and the persistence of war-lord antagonisms behind the façade of unity were all reflected in the Chinese armies of 1937. On the eve of resistance there were perhaps 2,000,000 troops distributed among the Central Government, provincial leaders, and the Communists. The best of the Central forces were the personal divisions of Chiang Kai-shek, numbering between 300,000 and 400,000 well-equipped troops. At the other extreme in their outlook were some 80,000 effective regular and guerrilla fighters belonging to the Chinese Communist forces. In between stood a number of provincial armies varying widely in their loyalty to Nanking and in their fighting power. They ranged in quality from the efficiently organized levies of Kwangsi province to the pitiful soldiery of the Szechwan war-lords, one of whom

— in the crucial summer of 1937 — protested to a Shanghai publication against a story about the size of his family and the number of his wives and concubines. "For your information," his private secretary wrote, "General Yang Sen's family consists of twenty-eight children . . . while he has but six wives." [2]

China's diverse forces, some battleworthy, some not, obviously did not constitute a modern national army automatically at the disposal of a Central command. They could be welded into a single anti-Japanese force only if the Central Government respected their diversity and reached political understandings with their leaders. This is why in the months before the war negotiations were carried on with the Communists. It also explains why, in August 1937, a number of provincial leaders came to the national capital, thereby indicating their willingness to support resistance. Had several of them wished to stay away no governmental authority could have forced their attendance. But one factor they could hardly ignore was the spirit of the people. Millions of Chinese were determined to resist Japan, and it was their will that the local forces become "national" armies by fighting to preserve China.

Despite their shortcomings, the Central forces registered some remarkable achievements, and on occasion China's military leadership acted with distinction. According to the Bureau of Information of the Tokyo War Department, plans for Chinese winter operations in 1939–40 "were carefully drawn up and stubbornly executed. The front extended practically the entire length of China, and in Central China alone more than 60 divisions participated in the campaign. . . . Strategically, these operations showed unity of plan and good control and were characterized by engagements of long duration and superior tactics." [3]

In their decisions on overall strategy China's military lead-

[2] *North-China Herald* (Shanghai), September 15, 1937, p. 393. In January 1945 Yang Sen was appointed Governor of Kweichow province.

[3] *Tokyo Gazette,* April 1940, pp. 383–4.

ers also took the right path. At the beginning of the war China had a choice: it could stake everything on the fight for key centres, such as Shanghai, Nanking, and Hankow; or wage determined delaying actions in these cities, and base its long-term resistance on the deep interior. Recognizing that China's armed forces, industries, communications, and political unity were not equal to the tasks of an all-out war of positions, and that the country's strength lay in its huge population, undeveloped resources, and vast area for retreat and manœuvre, the government gradually committed itself to a policy of mobile resistance. The idea was to prolong the war in time and space, compelling Japan to extend its lines of communications into areas in which superior training and equipment would lose some of their importance. Above all, China needed to hold on until it gained allies through Japan's going to war with other countries.

This strategy has enabled the Chinese to continue their liberation struggle for over seven years. Yet it is clear that the promise of the early period of Chinese resistance has not been fulfilled. In the first two years of war the Central Government paid much more attention than later to training troops, improving military organization, and encouraging popular participation in the war effort. Toward the end of 1938, soon after the fall of Hankow, the Generalissimo outlined a program suited to the waging of a long war. The guerrilla movement was to be expanded, and a new army of many millions created. But subsequent shortcomings of Central policy, friction between the Central Government and the Communists, and increasing difficulties in securing supplies from abroad, all took their toll.

New troops have not been trained on a satisfactory scale, discipline has not been strengthened, and no general military reorganization has yet taken place. Nor has China created the economic base it could have constructed in the South-west, even with its own slender resources. Sometimes we are told that the Central armies contain five, ten, or fifteen million

men, but the truth is less impressive, for there are perhaps 3,000,000 regular Central troops. How many of these are really well trained and equipped it is impossible to say, but the number is certainly very small.

It is also generally agreed that in training and social outlook the average Chinese officer leaves much to be desired. Colonel Evans F. Carlson declares that the Chinese Army "is weak in competent commanders and experienced staff officers." And again: "The greatest obstacle to efficiency in the Kuomintang armies is the concept of class privilege which prevails among the officers." [4]

Inflation has added to the officers' shortcomings by encouraging malpractices. If an officer's family expenses exceed his pay, corruption is difficult to avoid. As rising prices cut into the value of money allotted for supplemental food, generals are tempted to dismiss soldiers, pad their rolls, and sell the extra rice or distribute it among favoured subordinates. Some divisions consequently have as few as two or three thousand fighting men. Occasionally officers make money from trade with occupied areas. Thus they build up a personal stake in military inactivity, for warfare would interrupt this peaceful commerce. In fact, a correspondent reports that "at one point on the Indo-China frontier a Chinese troop unit was actually buying its rice from the Japanese side of the lines and feeding itself on supplies procured from enemy sources." [5]

It would be a serious error to think that all of China's generals or officers fit the picture given in the last two paragraphs. For, looking at the situation broadly, one can see many different tendencies within the Chinese forces, some good, some bad. But the weight of political power has so far been on the side of the old and inadequate rather than on the side of reform.

An important advocate of Army reorganization in Chung-

[4] Evans F. Carlson, *The Chinese Army: Its Organization and Military Efficiency* (New York, Institute of Pacific Relations, 1940), pp. 28, 34.

[5] Theodore H. White, "'Life' Looks at China," *Life* (New York), May 1, 1944, p. 103.

king is General Chen Cheng. Chen, a man in his forties, is known for his devotion to country, willingness to work hard, and interest in the well-being of his soldiers. He has been on close terms with the Generalissimo, and in the course of the war with Japan has played an active rôle on many fronts. He directed the Shanghai fighting at the beginning of resistance, afterwards held the field command of a war area including parts of Kiangsu, Chekiang, and Anhui, and took over the defence of Wuhan in its last stages and the defence of Ichang when it, too, was about to fall. He opposed the Japanese drive in Hupei in the spring and summer of 1943, and later was for a short period in charge of all Chinese forces in Yunnan and Burma.

In the tense political situation recently prevailing in China, Chen Cheng is said to have assumed a firm stand for unity and improvement of internal conditions. It is reported that he had Hanson W. Baldwin's *Reader's Digest* article on China's military weaknesses translated and distributed among his officers. Chen told them, in effect: "Whatever you may think of these criticisms, regard them as a mirror in which you can see yourselves as some foreigners see you." This attitude has not sprung from any spirit of opposition to the Chungking Government or of sympathy for groups outside it. But Chen does represent those elements in the Central armies that are convinced China will fight better and the régime will have a brighter future if military problems are tackled more energetically.

Any discussion of the Central armies that failed to emphasize the rôle of personalities in Chinese military life would be grossly inaccurate. The supreme personality, of course, is the Generalissimo, who keeps in touch by telephone with all important military developments, and has commanded the loyalty of the officer corps, especially the graduates of the Whampoa Military Academy, who are found throughout the army. Below Chiang there are many lesser personality groupings, clustered about such men as General Ho Ying-chin, General Hu Tsung-nan, who is in charge of important forces in

the North-west, General Chen Cheng, and various other commanders. All are subordinate to Chiang, but their own views nevertheless are extremely important in influencing the armed forces and providing the content of military policy. Moreover, with the weakening of transport links between Chungking and the war fronts, many local commanders have secured a large measure of autonomy.

From the evidence presented in this chapter it is clear that the Chinese Central armies are very much in a state of transition. In no sense except their spirit of resistance are they comparable to the modern armies of China's allies. Yet in all fairness the fact should be noted that China's armed forces have made progress in the past two decades and that they contain within themselves at least the seeds of a truly united national army. How long and how difficult the process of modernization will be depends largely on the rapidity and soundness of China's future political and economic development. The basic prerequisites are easily outlined: achievement of greater internal unity, expansion of China's own productive powers, mobilization of popular support behind the war effort more widely than heretofore, introduction of increased efficiency, and the waging of a more active military struggle. The Central armies also need to establish much closer and more satisfactory contacts with the mass of the Chinese people. Only when these and other related goals have been achieved will the Central forces cease to be personal or local units, and belong to the nation as a whole.

❀ IV ❀

IN THE REAR OF THE ENEMY

"Fighting as guerrillas they have done and are still doing magnificently. They have never been able to stand up against a frontal attack. Not because they lack courage. They are very courageous. But they lack the proper arms. They get none from the Russians. And the government has no interest in keeping them too well armed."

T. V. SOONG in an interview with Edgar Ansel Mowrer on the Chinese Communist armies. *The China Weekly Review* (Shanghai), April 19, 1941, p. 228.

THE COMMUNIST-LED EIGHTEENTH GROUP (formerly Eighth Route) and New Fourth Armies have played an essential part in preventing a Japanese victory during these past seven and a half years of war. Utilizing guerrilla tactics, they have kept Chinese authority alive in thousands of villages in the rear of the enemy. For, even though Japan long ago seized the key cities and main communications lines, large sections of the countryside remain in Chinese hands. Millions of citizens of the Chinese Republic have learned how to resist effectively, although completely surrounded by enemy forces.

It should not be thought that the Central Government has utterly failed to organize guerrilla warfare, but the Eighteenth Group and New Fourth Armies have accounted for the bulk of effective guerrilla fighting. The area of these armies stretches from unoccupied territory in the North-west (the Shensi-Kansu-Ninghsia Border Region) to Shantung province in the East, and from the mountains north of Peiping to the Yangtze River in Central China. The dividing line between the two forces is the Lunghai railway, cutting across North China from the coast south of Shantung. Above the railway lies the field of operations of the Eighteenth Group Army;

below it, that of the New Fourth. Neither army holds any of the large cities, but their troops are found only a few miles from places like Peiping, Tientsin, Nanking, Tsinan, and Kalgan, all of which were lost years back in the first phase of the war.

Opinions have varied concerning the exact size of the Communist armies, but the number of troops undoubtedly has risen sharply during the war. Early in 1941 Sun Fo, a high Central Government official, spoke of 500,000 Communist troops, but T. V. Soong, then Chairman of the Board of Directors of the Bank of China, thought the total not over 250,000. In the spring of 1944 Theodore H. White of *Life* magazine declared that, according to the best information, there were between 200,000 and 300,000 in the Communist armies. In 1944 the Communists themselves estimated their regular forces at 470,000.

A force of from 200,000 to 470,000 Communist troops — taking White's minimum estimate and the Communist figure — would equal roughly from 7 to 16 per cent of the Central armies, if these are set at 3,000,000 men. Superficially, this might suggest that the Communists are unimportant, were it not for several other factors. First of all, the number of persons below the level of the regular army, but assisting its operations in one way or another, probably runs into the millions. The Communists in 1944 claimed to have 2,200,000 guerrillas. Secondly, the Communist regulars are highly trained in the type of warfare they conduct and therefore are to be compared only with the best troops of the Chungking Government. Finally, the Eighteenth Group and New Fourth Armies appear to be holding down a disproportionately high percentage of the Japanese troops in China.

There are no Central figures on the last point, but in September 1943 Mme Sun Yat-sen, widow of the famous Chinese nationalist leader, wrote that "the guerrilla areas . . . are engaging and have engaged almost half of the Japanese forces in

China." [1] According to Theodore H. White, the Communists account for "perhaps 200,000 or more Japanese troops." [2] Since there are said to be approximately 600,000 Japanese soldiers in China, this would be at least one-third of the total. Moreover, both Chinese and foreign estimates of the regional distribution of the Japanese forces have generally assigned the largest number of divisions to the North China areas where the Eighteenth Group Army operates. Undoubtedly, the guerrilla achievement is an impressive one.

To these forces, it is important to recognize, war has been a natural condition not for seven and a half years, but more than twice as long. The first units of the Chinese Red Army, which ultimately evolved into the Eighteenth Group and New Fourth Armies, were organized as far back as 1927. The regular and guerrilla forces have been fighting ever since — first against the troops of the old Nanking Government in civil war, and since 1937 against the Japanese. Their only period of rest was in the year preceding war with Japan, when a state of undeclared peace generally existed with the Central forces.

In August 1937, after a period of negotiation, the Communist forces were reorganized into the Eighth Route Army under the authority of the National Military Council in Nanking. Generalissimo Chiang Kai-shek, as Chairman of the Council, confirmed the appointment of the existing commander, General Chu Teh, and vice-commander, General Peng Teh-huai, to the same posts in the new army. Subsequently, the two Communist leaders announced that, with the support of the National Government, the Eighth Route Army had marched eastward to engage the enemy. In October, Nanking authorized the formation of a second force, to be known as the New Fourth Army, from Communist guerrillas who had operated in various parts of Central China during the

1 *In Guerrilla China* (Report of China Defence League, Chungking; published by China Aid Council of United China Relief, New York, 1944), p. 6.

2 Theodore H. White, "'Life' Looks at China," *Life* (New York), May 1, 1944, p. 109.

civil war, and were still located there. On April 15, 1938, the New Fourth Army was ordered to begin moving to the rear of the enemy for battle. Its first small victory was won with the destruction of four Japanese trucks south of Chinkiang, on June 16, 1938.

In the early years of the war the Eighth Route Army received from the Central Government enough money to pay three Central divisions of 15,000 men each. The New Fourth Army received much less. Both sums, although quite inadequate for the troops involved (since the size of the armies was underestimated and they expanded rapidly), were stretched unusually far. This was possible because the pay of the ordinary soldier in the guerrilla forces was one Chinese dollar a month, and the highest commander, Chu Teh, received five dollars a month — less than the pay of a Central private. Even in the initial period of resistance aid from the Central Government was on a small scale, but in 1939–40 all pay and supplies of ammunition were cut off. At the same time, Chungking instituted a strict economic blockade described in a later chapter.[3]

The guerrillas have secured most of their war materials by seizing supplies from the Japanese. According to an official Eighteenth Group Army statement, from September 1937 to July 1942 the following arms, munitions, and equipment were captured from the enemy: 73 pieces of field artillery, 29 infantry guns, 2 pieces of anti-aircraft artillery, 225 trench mortars, 257 heavy machine guns, 1,735 light machine guns, 95,782 rifles, 4,027 pistols, 352 signal guns, 861 bomb-throwers, 9,923,347 rounds of small arms ammunition, 31,856 rounds of artillery ammunition, 108,222 hand grenades, 669 gas bombs, 3 airplanes, 73 automobiles and motorcycles, 8,379 trucks, 142 wireless transmitters, 939 telephone sets, 8,682 bicycles, 130 receiving sets, 12,925 steel helmets, 7,201 gas masks, 27,362 overcoats, and 55,121 army blankets. Not all of these

[3] See Part Three, Chapter 7, "Guerrillas Under Blockade," pp. 202–5 below.

supplies could be used by the guerrillas — for example, airplanes — but the bulk consisted of items they could handle.

Captured materials are supplemented by the output of primitive arsenals, often located in the mountains and turning out, in the main, hand grenades and land mines. In a few of the best-equipped factories cartridges are made by refilling old cases. One observer saw a small field arsenal at the front that was producing a rifle a day from steel rails removed by the guerrillas from Japanese-controlled railways. But despite the seizure or production of equipment, the arms situation is serious — far more so than in the Chungking areas. A publication circulated by Eighteenth Group Army sources laments that "wornout rifles cannot shoot accurately . . . bullets fall midway . . . soldiers have only a few rounds to shoot." [4]

The heart of guerrilla warfare in any country is mobilization of the people behind a political and economic program that advances their interests. This has been true in the underground military movements against the Nazis, and it is also true in China. The political features of the Eighteenth Group and New Fourth Army program have already been noted, and the economic aspects will be discussed later on.[5] Here it will be in order, however, to describe some of the military characteristics of popular mobilization by the guerrillas.

First of all, enlistment is entirely voluntary, since guerrilla warfare cannot be based on compulsion, especially in a country like China, where the army has often had a bad reputation among the people. For lack of equipment, there is a waiting list of recruits in the Eighteenth Group Army area, and until they are called they receive part-time training. Through organizations of peasants, workers, merchants, women, and others, every effort is made to heighten the conviction among the people that they should participate personally in resistance and not view the war as spectators. School

[4] *North China Unconquered* (no place, no publisher, June 1943), p. 11.

[5] For the economic program, see pp. 206–15.

instruction, newspapers, mass meetings, songs, and plays are all employed to this end.

The following quotation from a guerrilla play, involving three peasants, suggests clearly the nature of the appeal: [6]

"*Third farmer:* Look at the People's Army! They don't take the harvest from us, and they even want to reduce the land tax and give us a better chance to live, so that we farmers will see better days.

"*First farmer:* That's a fact. That's true. They're the kind of people who really help us.

"*Second farmer:* When people do something to help us, it's up to us to do something too."

The play soon follows up the last point and explains how the peasants can help: [7]

"*First farmer:* How are we going to fight? We've only our bare fists. What are we going to fight with?

"*Sergeant of the People's Army:* You've all got something, right in your hand! Your hoes and rakes are not worse than our guns. (He lifts up his old gun to show it.) We'll surround the Japanese devils and fight them; you get behind and dig ditches and trenches so their lorries cannot retreat.

"*All:* Yes, yes! Let's go home and get our shovels.

"*Sergeant:* Take what you've got, right now! Use your saws to cut down their telephone posts. Use your axes to dig up railway tracks. Use your hoes to pull down telephone wires. And you? (Points to an empty-handed farmer.) You know the roads, so you can be our guide. . . .

"*All:* (All raise their weapons high in the air.) Good! Army and People! Forward together and fight it out with Japan! Take what you've got in your hand, and fight! Forward and fight the Japanese! (They march off, with big strides.)"

No policy of winning popular co-operation could work, if the Eighteenth Group and New Fourth Armies did not respect the rights and property of the people. This is one reason for the enforcement of three major and eight minor rules,

[6] J. Clayton Miller, "The Drama in China's Anti-Japanese Propaganda," *Pacific Affairs* (New York), December 1938, p. 467.

[7] *Ibid.*, p. 469.

most of which deal with the treatment of the civilian population: [8]

MAJOR RULES

"(1) Execute the anti-Japanese patriotic principles.
"(2) Execute the instructions of higher leaders.
"(3) Do not take the smallest thing from the people."

MINOR RULES

"(1) Ask permission before entering a house. Before leaving thank the occupants for their courtesy, and ask them if they are satisfied with the condition of the house.
"(2) Keep the house clean.
"(3) Speak kindly to the people.
"(4) Pay for everything that you use, at the market price.
"(5) Return all borrowed articles.
"(6) Pay for all articles which the army has broken or destroyed.
"(7) Do not commit a nuisance (dig latrines).
"(8) Do not kill or rob the captives."

The existence of these rules reflects the impression left by China's former war-lord armies, which often looted the villages they passed through and proved a plague to the people. Today any Chinese army that hopes for strong popular support must be careful to avoid actions reminiscent of the militarists.

The pattern of military organization contains four elements: the regular army, guerrillas, local militia, and village self-defence units. The large forces that constitute the core of the Eighteenth Group and New Fourth Armies are known correctly as "regular" rather than "guerrilla" troops (although it has been found convenient to use the latter as an overall term in this book). The regulars have a well-developed formal organization and are equipped with light and heavy machine guns and trench mortars. Below the regular army there are guerrilla detachments in the various districts. These are full-

[8] Evans F. Carlson, *The Chinese Army: Its Organization and Military Efficiency* (New York, Institute of Pacific Relations, 1940), pp. 36–7.

time soldiers, less well equipped than the regulars. Below the guerrilla detachments, in turn, are the local militia — farmers with a few hand grenades, who harass the Japanese when they raid. And on the lowest level of all are the village self-defence units which aid the army as porters and guides and engage in intelligence work, furnishing the Chinese forces with the latest information on Japanese troop movements.

Relations between officers and men are reported to be close and friendly, and it is the opinion of many observers that the leaders of the Eighteenth Group Army are outstanding for their personal qualities, which show in their leadership. According to Colonel Carlson, who spent considerable time with the guerrilla forces in the early years of the war, "the high ranking leaders of the Eighth Route Army are distinguished by their honesty, frankness, humility and intelligence." [9] Later, Colonel Carlson sought to develop the same type of leadership among his own Marine Raiders, who engaged in guerrilla warfare behind the Japanese lines on Guadalcanal when American forces were fighting for that island.

The attitude of the guerrilla commanders is reflected in the active political training given their troops. Each company has a political leader, who is in charge of the education of the forces and seeks to develop their morale and understanding of the war. Before every action a meeting of the troops is held, at which the commander explains the purpose of the engagement and other related matters. Afterwards mistakes are discussed at another meeting. Emphasis is constantly placed on the soldiers' thoroughly grasping the meaning of what is being done as well as their own function in the war. It could hardly be otherwise, for guerrilla activity places a premium on the intelligence and initiative of the individual fighting man.

The guerrillas, generally outnumbering the enemy, have sought to hit at his flanks and rear, to cut his communications, and to engage in night rather than day attacks. The practice in

[9] *Ibid.*, p. 39.

retreat has been to destroy everything that might be of value to advancing Japanese troops. However, it would be an error to think of the Eighth Route and New Fourth Armies as restricting themselves to "hit-and-run" operations by small guerrilla bands. The regular army units frequently carry out coordinated actions, involving thousands of men for several weeks at a time, and even engage in positional warfare of short duration.

All these methods, applied with striking ingenuity, have enabled the guerrillas to meet the enemy successfully. The effect is to harass the invaders, prevent consolidation of their positions, and keep China actively in the struggle. Guerrilla leaders have never had the illusion that their tactics could be decisive in bringing about Japan's defeat, but have always regarded such operations simply as one important phase of a strategy of protracted war. In urging such a strategy — and they were among the first to do so — they made it clear from the outset that, if victory was to be won, the guerrilla stage would have to lead to a final stage in which China would be strong enough and have enough foreign aid to launch a continuing counter-offensive, and engage in considerable positional fighting.

For their resistance to the Japanese the guerrillas, like the Central troops, have paid a heavy price, and the enemy has struck at them time after time in bitter offensives. In spite of this, the Eighteenth Group and New Fourth Armies have carried on effectively. Undoubtedly the guerrillas would be still more active if the Chungking blockade were removed and they did not have to bear in mind the possibility of a Central attack. In any event, it is impossible to study the record of these armies and not conclude that, without their resistance, China's struggle probably would have ended in defeat many years ago. For, despite strained internal relations, the guerrillas have provided an indispensable complement to the Central forces in China's fight for survival, and have served to stiffen their country's spirit of resistance.

V

ARMS AND POLITICS

"The division between the Eighth Route Army and the National Army still continues, in spite of the fact that all accept the Generalissimo as their leader. There are forces around the Generalissimo which keep apart these two great bodies of the people who ought not now to be kept apart."

PEARL S. BUCK, "A Warning about China," *Life* (New York), May 10, 1943, p. 56.

FRICTION BETWEEN the Central and Communist armies often takes a military form, but actually has a political origin. Questions of power are involved — power today and after Japan's defeat. The effective struggle of the guerrillas against the Japanese — accompanied by increased guerrilla influence among the people of invaded China — confronts Chungking with a grave dilemma. To the extent that it uses its strength against the Communists, it weakens China's resistance to Japan. On the other hand, if it should give free rein to the Communist war effort, the Communists would inevitably win a greater voice in Chinese politics. Put most simply and bluntly, the problem involves this choice: Is it better to have the Communists or the Japanese in the invaded areas? There could be a third possibility — control of these areas by Chungking in co-operation with the existing guerrillas — but for this the Central Government would have to promote the same type of guerrilla reforms and mass organization behind the Japanese lines that it finds so disturbing on the part of the Eighteenth Group and New Fourth Armies.

It is very unlikely that at the outset of resistance in the summer of 1937 the high command in Nanking realized how important the guerrilla armies would become. This was not

because the skill of the guerrillas in battle was insufficiently appreciated, but because the Central Government did not have the perspective of a long war clearly in mind. There were important officials who opposed resistance and were determined to work for a negotiated peace with Japan. And even those who won out in the decision to take up arms did not believe that China could fight for long — perhaps six months at the most. Their hope in those days was not that Japan could be fought to a standstill, but that if China gave a good account of itself, even though briefly, the enemy might be induced to accept foreign mediation.

But the war did not end in this manner, because the Chinese people had unanticipated reserves of strength and patriotism, and because Japan was unwilling to accept anything less than China's full enslavement. The guerrilla areas, instead of being wiped out by a peace agreement, became a continuing major theatre of war. For a while Chungking extended some support to the guerrillas and sanctioned their activities. The New Fourth Army, for example, received many congratulatory citations from the Generalissimo and other members of the high command in the early period of the war; and it was with Chiang Kai-shek's approval that, at the beginning of 1938, the first guerrilla government was set up in the north.

After the loss of Canton and Hankow in late October 1938, the struggle against Japan entered a new phase. China had a choice between yielding and waging a difficult war of unpredictable duration. The latter course was adopted, and the Generalissimo declared in ringing phrases: [1]

"Ours is a war for the very existence of our nation. . . . It cannot be blocked by factors of finance, economics, communications, or by other external obstacles. . . . Such a war has no time limit; it ends only when the objective is attained. In this war there is no distinction between the front and the rear. Any part of the country may become the battlefield."

1 *China Fights On: War Messages of Chiang Kai-shek,* Volume I, October, 1938–January, 1940, translated by Frank W. Price (Hong Kong, China Publishing Co., no date), pp. 11–12.

Yet, in sober thought, many high officials must have wondered about the position of the Communists in the new stage of the conflict. No longer could the guerrilla areas be thought of as a temporary development. Now the Central leaders had to ask themselves in earnest what political influence guerrilla China might exert on the rest of the country during and after the war. Pushed far into the western mountains, Chungking officials were deeply concerned to see the Communists operating not only in the north, but in the rich lower Yangtze Valley, the very region upon which the Central Government based itself when it was located at Nanking.

Fears for the future, active peace sentiment in some Chungking circles, various unfavourable changes in the internationl situation, and the economic difficulties attending a prolonged war, all combined to produce a marked deterioration in Central-Communist relations. Ways were now sought to restrict the growth of the guerrilla armies and their field of operations. The Central authorities argued that the guerrillas should stay within their assigned areas, limit their divisions to the assigned number, and accept Chungking-appointed magistrates instead of developing their own administrations. The Communist reply was that guerrilla activities on the widest scale were essential to the defeat of Japan, and that guerrilla civilian administration was the only basis on which the military struggle in the invaded areas could be waged with maximum effectiveness.

Late in 1938 local encounters took place between Communist and non-Communist troops, and in 1939–40 there were still more serious clashes. But the gravest incident of all occurred in January 1941, when Central troops attacked a section of the New Fourth Army on grounds of insubordination. The background of this development lay in a message of October 1940 from War Minister Ho Ying-chin, ordering the New Fourth Army to leave the lower Yangtze Valley and move north of the Yellow River within a month. Ho's statement declared that the New Fourth Army was guilty of "not staying

within its assigned area, of expanding its forces without permission, of disobeying the orders of the Central Government, and of launching unprovoked attacks on friendly armies." [2]

There followed a month and a half of controversy in which the guerrilla commanders denied the charges, asserted that their forces had been attacked by Central troops, and argued that, unlike a regular army, guerrilla divisions could not give up their local base among the people and automatically take up positions for effective warfare in a totally different area. They proposed as a compromise, however, that all New Fourth Army units south of the Yangtze River move to the north bank, that the time-limit be extended — since one month was not enough in which to leave positions held for well over two years — and that they receive money and munitions in order to make the passage. Ho Ying-chin insisted on their transfer north of the Yellow River, but more time was to be allowed and aid was promised.

According to the guerrilla version of ensuing events, the New Fourth Army began its march in mid-December 1940, and by the end of the month only about 10,000 persons remained on the south bank of the Yangtze. These included persons attached to the army headquarters, hospitals, and schools, and a number of political workers. On January 6, 1941, while passing through a long mountainous defile *en route* to the Yangtze, this rear-guard, it is said, was attacked by about 80,000 troops operating under the orders of the Third War Zone commander, General Ku Chu-tung. In the battle that followed, lasting for eight days, most of the New Fourth Army people were killed, wounded, or captured; fewer than 2,000 escaped. The commander, Yeh Ting, was arrested, and Hsiang Ying, the vice-commander, was not heard of thereafter.

Central military authorities approved the steps taken against the New Fourth Army, accepting General Ku's charge that it had "lengthily prepared for revolt." According to the Chungking version, the New Fourth Army, instead of following the

2 *Christian Science Monitor,* January 21, 1941.

Centrally-designated route for crossing the Yangtze, had moved in a different direction with the purpose of launching a surprise attack on the headquarters of the local commander. On the way, it is said, the guerrillas waylaid a Central division, and General Ku thereupon ordered counter-measures. Subsequently, on January 17, the National Military Council in Chungking dissolved the New Fourth Army and declared that General Yeh Ting would be court-martialled.

Three days later, the Communists at Yenan revived their Revolutionary Military Committee, which had last operated in the civil war period. Its first move was to appoint an acting commander, vice-commander, chief of staff, and head of political department to lead the remaining troops of the New Fourth Army north of the Yangtze River. These troops, which had not been involved in the attack, were said to total 90,000. The Communists attributed the Central assault to pro-Japanese elements in Chungking and subsequently presented the government with a series of demands, including formal reconstitution of the New Fourth Army and punishment of General Ho Ying-chin. In an address of March 6, 1941, however, the Generalissimo asserted in vigorous terms that the only issue had been that of suppressing "disobedient and rebellious troops."

Despite the blackness of the situation, civil war was averted, and today — four years later — resistance to Japan continues. Yet there is no doubt that the incident was of considerable value to the Japanese and to the Chinese traitor, Wang Ching-wei, in whose territory the New Fourth Army had been operating. This is indicated clearly in the following statement by Owen Lattimore, later political adviser to Chiang Kai-shek: [3]

"Chinese morale fell to its lowest, making possible great gains for the Japanese in Chekiang province, when arms from abroad were used by Chinese regulars to attack the Chinese guerillas who had previously won that territory back from the Japanese. This

[3] Owen Lattimore, "After Four Years," *Pacific Affairs* (New York), June 1941, p. 151.

was the greatest disaster on the Chinese side in the whole course of the war, for in addition to its effects on morale at home the idea that Chinese could again fight Chinese seriously damaged China's prestige abroad."

It is essential to realize that in the Central-Communist conflict the actual issues are often obscured by a smoke-screen of personal bitterness, verging on the psychological. Only this bitterness, for example, can explain the remarks made in May 1944 to foreign newspapermen by Major-General Lo Tse-kai, Chief of Staff to General Hu Tsung-nan, commander of the forces blockading the Communists in the North-west. Assuring the correspondents that he spoke for General Hu, Major-General Lo asserted that the Eighteenth Group Army had never fought the Japanese and had done nothing but interfere with the attacks of Central troops on the enemy. Referring to the possibility of a settlement of differences with the Communists, he declared: "We don't hope that they will help us fight the Japanese because this is too much to expect. We only hope they will not interfere with us." [4]

In view of the fact that foreign observers are virtually unanimous in their respect for the hard-hitting, effective struggle of the guerrilla armies against the Japanese, the only significance of these statements is to indicate the existence of a die-hard, anti-unity group among Central military leaders. It is therefore difficult to see how unity can be strengthened in lasting fashion unless important changes in Central personnel take place. This has so far not been possible because of the strongly entrenched position of reactionary elements, but there is no doubt that many leading generals in the Central armies, as well as other government officials, would welcome moves to cement Chinese unity.

It is necessary to emphasize again that military and political differences in China have a profound effect on China's ability to resist, and that on the Sian front, near the Communist-led Shensi-Kansu-Ninghsia Border Region, many divisions of the

[4] *New York Times*, June 3, 1944.

nation's best troops are engaged in watching and blockading the Communists. Exactly how numerous these troops are it is impossible to say, but they are generally estimated at anywhere from 200,000 to 500,000 men. At present Chungking is watching its frontiers with the Communists far more carefully than some parts of the front against the Japanese enemy. This is implied in unmistakable fashion by a correspondent who visited the North-west and declared: [5]

"While Hancheng, which is fifteen miles from the Japanese area and fifty miles from the Communists' region, looked like a prosperous peacetime town, Ichwan, which is fifty miles from the Japanese and ten miles from the Communists, is peopled mainly by its garrison, as were all the other towns the news party passed in this area."

Such a situation inevitably affects American attitudes toward China, for the United States does not wish to see large bodies of Chinese troops immobilized. Moreover, the United States air forces in China have so far been unable to establish bases in guerrilla territory because of Chungking's opposition, even though these bases would be ideal for operations over North China, Manchuria, and Korea — and perhaps ultimately against Japan itself.

With the struggle in Asia entering its most active phase, it is difficult to understand how China can allow these conditions to continue. The latent or frozen civil war that exists in China is, as Walter Lippmann remarks, "a great wedge thrust into any kind of United Nations military front in eastern Asia." [6] Only if this wedge is removed by political agreement among the Chinese groups can victory over Japan be secured at the earliest moment.

[5] *New York Times,* June 4, 1944. Since this was written some of the Central troops blockading the North-west have been withdrawn to meet heightening Japanese pressure elsewhere. But the blockade is being continued by the major part of the original forces.

[6] *New York Herald Tribune,* June 13, 1944.

VI

CHINA'S WAR IS OUR WAR

"You can imagine what the situation would be if China were out of the war."

ADMIRAL ERNEST J. KING, Commander-in-Chief of the United States Fleet, August 7, 1943. *New York Times,* August 8, 1943.

NOT LONG AGO China's leading newspaper, the *Ta Kung Pao,* remarked that if it had not been for China's long struggle, "Japan's *blitzkrieg* might not have ended in Pearl Harbor" and "Russia might not have had a neutral Japan up to now." [1] Whatever criticisms may properly be made of certain aspects of China's military effort, these are facts that should not be forgotten, not simply because all freedom-loving nations owe a debt to China for past operations, but because even today, at the low ebb of its war activity, China plays an invaluable rôle in the war. In the period ahead the strengthening of operations by the Chinese will remain essential if Japan is to be defeated at the earliest possible moment.

China's current contribution to the cause of the United Nations can be stated broadly as follows:

1. The Chinese are holding down approximately 600,000 Japanese troops on their own soil, and are participating in drives to recover northern Burma.

2. Chinese territory is the site of air bases from which the Fourteenth United States Air Force and B-29 bombers can attack Japanese troops and military installations.

3. China's presence in the ranks of the anti-Axis countries undermines Japan's propaganda claim that this is a war in

[1] *China At War* (New York), May 1944, p. 68.

which the coloured peoples of Asia are ranged against the white race.

Taken together these three items mean that Chinese resistance prevents Japan from using its maximum strength against us, furnishes us with positions from which to strike at the Japanese, and weakens Japan's efforts to make full use of the conquered peoples of Asia.

China's rôle will continue to be important in the future when Allied offensive power on the Asiatic continent and in neighbouring waters increases. For the most effective strategy requires a highly active Chinese front, co-ordinated with other Allied fronts in the Far East. At the same time the recent marked deterioration of the Chungking Government's fighting power raises grave questions about that régime's war effort and places new responsibilities on the United States in the war against Japan.

Part III.

ECONOMIC CRISIS

I

PRICES UNLIMITED

"Chungking now has the unenviable reputation of being the most expensive capital in the world."

The Economist (London), February 27, 1943, p. 273.

FOR A LONG TIME Chinese censors cut out any discussion of the skyrocketing cost of living in dispatches sent abroad. As a result, even a year after China and the United States had become military allies, few Americans knew how serious Chungking's price situation really was. Only those persons who already understood what was happening could read between the lines of the brief, uninformative newspaper items and piece together the tragic story of a deteriorating economy.

Today China's catastrophic inflation is no longer a secret. Chungking officials, some of whom were shocked when Wendell Willkie referred to the price situation, hoarding, and profiteering at a press conference during his visit there in October 1942, later began to talk openly about the fantastic cost of living, and even gave figures. Newspapermen were permitted to refer to the extreme shortage of supplies from abroad as a cause of inflation, but even now they may not do more than hint at internal economic conditions, such as hoarding and profiteering, that lie behind a good part of the phenomenal price increases.

Perhaps the degree of inflation China is experiencing can be indicated most vividly by an incident. In the summer of 1943 a one-story, temporary, mud-and-bamboo structure was erected in Chungking alongside a modern three-story broad-

casting studio made of brick and stone. Despite the differences between the two buildings their construction costs were the same! The reason? The studio had been put up in 1939 when prices had not yet begun to ascend at an alarming rate. In the intervening four years of large-scale inflation, the cost of both labour and materials had risen enormously, adding to construction expenses.

Today matters are much worse. Children play with dollar bills as they would with paper dolls, and well-to-do businessmen go about accompanied by coolies carrying bulging satchels filled with paper currency. A few figures will tell the story. If wholesale prices in Free China during the war years are compared with wholesale prices prevailing during the first six months of 1937, the following table of approximate price levels can be drawn up:

June 1938 — 1¼ times as high as January–June 1937
June 1939 — twice as high
June 1940 — 5 times as high
June 1941 — 13 times at high
June 1942 — 40 times as high
June 1943 — 140 times as high
June 1944 — over 500 times as high

Who bears the burden of inflation? Everyone agrees that China's students, teachers, intellectuals, government servants, private office workers, army officers, soldiers, and others with comparatively fixed incomes have suffered disastrously from soaring prices. This is so not only in the capital, but throughout Free China.

To these economic problems must be added the many inconveniences of living in the raw, newly expanded cities of China's West, far from the accustomed centres of national life and culture; and the extraordinary difficulties faced by scholars in carrying on intellectual activity without adequate supplies of books, equipment, or even paper. Statistically the plight of civil servants is indicated by an estimate made in the summer of 1943 that the government would have at least to

triple its total expenditures if it wished to raise the purchasing power of official wages and salaries to the levels prevailing before the war.

Chungking authorities, faced with this situation, have taken steps to enable China's middle class to survive. The Ministry of Education decided, as far back as May 1942, to give every normal school student a monthly ration of 22 pounds of rice. By the summer of 1943 civil servants were already receiving a monthly base allowance equal to twice their salary, as well as a war-time living allowance. The government also sells rice to its employees at exceptionally low prices and gives them a discount on purchases of towels, socks, underwear, and toothpaste. Salaried workers in private business, although not faring so well, generally receive rice allowances from their employers.

The effect of these counter-measures is to save the middle class from sheer physical destruction; but not much more than that is accomplished. Some persons are actually starving slowly and unobtrusively because of constant undernourishment. Nor is this all. The relative decline in status of China's white collar and professional group, especially teachers, has weakened one of the most modern elements of the country's social structure. Before the war a primary-school teacher was paid twice as much as the average manual worker, and a middle-school teacher four times as much. But in December 1941 the average manual worker in Chungking received more than a primary-school teacher and approximately as much as a middle-school teacher.

Intellectuals and government workers are only a very small part of China's total population. Yet this group, because of its technical knowledge and political consciousness, is of exceptional importance for the war effort. Anything that affects its morale unfavourably is a threat to China's resistance. Inevitably its efficiency and spirit have been impaired by the extraordinary hardships it has borne in recent years.

There is, on the other hand, more than one opinion about

the effect of inflation on China's workers. Frequently they are said to be better off than before the war. Chungking's rickshaw men are cited as an example, for foreign visitors find that rickshaw coolies will sometimes refuse a fare requiring them to go a great distance, or will stop work when they feel they have made enough for the day. A Chinese official also remarks of labourers throughout Szechwan, the capital province, that before the war they "ate Indian corn, but they are eating rice now." [1] Yet an American newspaperman reports a conversation with a bewildered rickshaw coolie who told him: [2] "It's a funny thing — I don't understand it. We eat pork once a week and never go hungry. But the money I make is just enough to keep my family alive. I can't save any money."

Undoubtedly China's workers have suffered far less than the middle class and in some cases have improved their position, but as a group they have also paid a price. Even the above-mentioned official who referred to the improved diet of workers, claimed only that wages had gone up "nearly as much" as living costs. Besides, a great deal depends on the period of the war one is talking about. Wages rose more rapidly than prices before inflation really got under way; but once the price spiral was in full operation, things became quite different.

Take factory workers as an example. For more than a year after the outbreak of war, in July 1937, their purchasing power increased, and although it began to fall in the late summer of 1938, it remained above pre-war levels until April 1940. After that the bottom fell out, and, from August 1941 on, factory wages bought on an average two-fifths to one-half less than before Japan attacked in 1937. Non-factory workers, who had earned less than factory workers in 1937, got along somewhat better. The purchasing power of their earnings continued to rise until March 1940, remained above pre-war levels

[1] *New York Times*, July 1, 1943.

[2] Ernest O. Hauser, "China's Tragic Inflation," *Saturday Evening Post* (Philadelphia), September 11, 1943, p. 26.

until November 1940, then fell rapidly until February 1942. After that it was between one-sixth and one-seventh below 1937 standards.[3] Here a distinction should be made between non-factory workers, such as rickshaw coolies, whose fees can be adjusted more readily to rising prices, and the traditional workers of the interior — for example, in tin mines or salt wells — who are bound to their jobs by contract and are in a poor position to demand of their employers adequate increases in pay.

But the key group in China is the peasantry, forming 80 per cent of the nation. How have the peasants fared? Again opinions vary. A few years ago one informed writer stated flatly that "the bulk of them were never so well fed or clothed as at the present time." [4] The peasant, according to this view, has been helped by inflation because crop prices, especially of rice, have risen higher than the prices he pays for cloth, lighting oil, salt, and other necessities. The difficulty with this argument is that the average Chinese peasant does not have a surplus of rice to sell and therefore does not benefit from a soaring rice market. If he is a small owner, he may produce just enough food for himself and his family. If he is a tenant, he will have very little left for himself after paying part of his crop to the landlord as rent, and may even have to go out and buy rice to supplement his own supply. A Szechwan peasant gave a pithy summary of the situation: "The landlord takes seven out of every ten bushels of rice. What's left over is barely enough for my family of five mouths. Sure, the rice price is high. But do I get to see any of the money?" [5]

Living costs and rents are not the whole story, for the war has placed other heavy burdens on the peasants. While boys

[3] These statistics do not cover the period after 1942. The reader should bear in mind throughout this book that China's facilities for collecting economic data are very poor and that all figures should be regarded as approximate.

[4] John Earl Baker, "China Will Carry On," *Far Eastern Survey* (New York), June 1, 1942, p. 128.

[5] Hauser, "China's Tragic Inflation," cited, p. 46.

of well-to-do families often escape conscription through bribery, small farmers have frequently found it difficult to work their land because their sons have been drafted into the Army. And there is the perennial problem of taxes. The land tax in kind, essential to the government's stability, has been administered in such a way as to hit the peasants hardest. This levy was introduced in 1941. A year later a writer in the official *Central Daily News* stated that the result had been "greater concentration of landed properties and the intensification of the landlord's exploitation." [6] Shortly afterward Sun Fo, President of the Legislative Yuan (i.e. department of the government), declared: "During recent years the landlord class has been greatly enriched. . . . The big landlords are employing their surplus funds to increase their holdings. . . . Land ownership is more and more concentrated in the hands of the landlords." [7]

Inflation is obviously a great menace to the Chinese people —most of all to the middle class, but also to the mass of workers and peasants, as well as to China's soldiers and private industrialists. The only exceptions to the black story are landlords and speculating merchants, who have boosted their own wealth at the expense of the country and its war effort against the Japanese.

No highly industrialized nation could endure so rampant an inflation without suffering economic, political, and military collapse. In China the results have been bad enough; but its economic backwardness has assured a degree of immunity against ills that would prove fatal in a more modern society. In contrast with conditions in the United States, events of importance in one area of China are not felt quickly and sharply in other areas. The people live close to the land, and as long as crops are good the country is able to get along. But it is obvious that China cannot follow this course indefinitely.

[6] Liu Kuo-ming in the *Central Daily News* (*Chung Yang Jih Pao*), August 1–2, 1942.

[7] *Ta Kung Pao*, October 16, 1942.

Even a decentralized, agricultural economy will break down if enough of its parts are weakened. Clearly, China stands in need of thoroughgoing internal measures as well as foreign aid, to deal with an increasingly dangerous economic situation, for inflation is a crucial factor in the present political crisis in Chungking.

II

CLOSED ROADS TO CHINA

"If Ichang and Hankow could be won back, Free China would begin to acquire basic mobility again and would have full use of productive areas now harassed or cut off by the enemy. If Nanchang could be recovered, the blockade would be a good deal less paralyzing. If Canton and Hong Kong could be recovered, China would be revitalized."

BROOKS ATKINSON, *New York Times,* September 2, 1943.

A CARTOONIST might picture China's inflation as a tidal wave of dollar bills engulfing the nation and threatening to drown it, for the extraordinary rise in prices has been linked with a rapid expansion of the currency. In the four and a half years of war up to the end of 1941, notes issued by government banks increased nine times. Six months later the figure was thirteen times. In the spring of 1942, after the cutting of the Burma Road, one of Chungking's serious problems was to find ways of bringing in large amounts of paper currency from abroad, because the facilities required to meet China's demand for bank notes did not exist within the country. Today hundreds of tons of paper bills printed in the United States are being shipped to India and flown into China every month, taking up plane space that could otherwise be used for war materials.

A mounting note issue and price level, however, are symptoms of something wrong rather than root causes. To get to the bottom of things, several other factors must be examined, starting with China's serious lack of essential commodities. This is a basic condition underlying the rise of hoarding and profiteering, although it does not by any means tell the whole story.

There are at least three aspects to Chungking's supply problem. One is the industrial backwardness of the interior areas to which the government withdrew after Japan seized China's modern cities along the coast and in the Yangtze River valley. A second is the effect of war and foreign occupation in breaking up China's pre-war economic unity, such as it was. The most striking feature of this development is the disruption of internal transportation and communication. A third vitally important factor is the lack of adequate means of importing goods from abroad. This has become of critical importance since 1942.

Even in the early years of resistance to Japan China found it difficult to bring in the supplies needed to keep its own production and distribution going. But at least the railway into French Indo-China, the Burma Road, and the North-west Highway to the Soviet Union were available to help alleviate shortages. Over one or another of these inadequate lifelines China could secure trucks, gasoline, metal products, machinery, cotton goods, medicines, chemicals, and various raw materials (such as copper and lead) of which it was short. Out across its borders, to help pay for these purchases, went other commodities, including tea, tungsten, tin, tung oil, antimony, and bristles.

War was hard for China from the outset, but in 1940 blows began to fall thick and fast. Not only did the Chinese have to bear the burden of their own resistance, but they also had to pay for mistakes made by other powers in appeasing the Axis. When French resistance collapsed in Europe, the colonial government of Indo-China yielded to Japanese demands that railway traffic into South China be halted. Thereby Chungking lost its most valuable route for imports. Now Britain had reason to fear that Japan would attack its Far Eastern territories at the same time that Germany launched a cross-channel invasion of the British Isles. London therefore agreed to close the Burma Road for three months (mid-July to mid-October 1940).

The psychological repercussions in China were tremendous: the country felt itself hemmed in as never before. Hoarding developed on a significant scale, and defeatism flourished in high places. As a result, the development of inflation in China was greatly accelerated. From June to December 1940 Chungking retail prices increased more than three and a half times.

Yet these changes seem almost of minor importance when compared with the repercussions of the disaster at Pearl Harbor. For years the Chinese had expected that an alliance with Britain and the United States against Japan would mean Tokyo's early defeat. When the first fruits of such a partnership proved to be a Western *débâcle,* further Chinese isolation, and the indefinite postponement of hopes for a victorious peace, Chungking's bitterness and disillusionment knew no bounds. Nor, it must be added, were there any limits to the willingness of China's speculators, hoarders, and appeasers to take advantage of this crisis in morale.

With the fall of Hong Kong, in December 1941, an important smuggling route was closed, for before that time Free China had secured more goods from Hong Kong than over the Burma Road. The Burma Road itself was cut when Rangoon fell early in March 1942. Before many weeks Japanese troops crossed the Burma frontier and pushed forward on the soil of Yunnan, China's southernmost province. For a time Chungking was left with only one foreign source of supplies: the Soviet Union. But the capacity of the North-west Highway was limited (perhaps 2,000 tons a month), and the quantities carried over it had declined sharply since the German invasion of the U.S.S.R. the previous June. Smuggling through the Japanese blockade from occupied China — often with the connivance of corrupt enemy authorities — now became Free China's only significant means of "importing" consumer's goods, and this continues to be true at the present time.

Much of this trade is carried on through brokers linked with Chinese merchants in Shanghai, Nanking, Canton, Pei-

ping, and other cities. Hazards increased after the outbreak of the Pacific War, when the Japanese took over various foreign-controlled areas in which Chinese had previously been able to operate with some freedom. Nevertheless the traffic is fairly regular. At present unoccupied China secures from the occupied areas important quantities of small articles, such as cotton piece-goods, medicines, hardware, and copper and silver coins. Where the trade is best organized, other goods slip through the enemy blockade: crude and lubricating oils, gasoline in cans, iron, steel, wheat flour, machine tools, radio and electrical equipment, canned goods, cereals, wool, salt, and luxury goods, such as cigarettes and cosmetics.

One of the inescapable features of this trade, especially where it occurs with Japanese connivance, is that something of value to the enemy must be given in exchange. Even where smuggling takes place without Japanese knowledge, Free China must pay with exports that serve to bolster the economy of the occupied areas. Such exports include egg yolks, rice, matches, bristles, hog and sheep casings, leaf tobacco, and raw silk. Moreover, as far back as December 1940, Major — now Colonel — Evans F. Carlson declared after an extensive tour in China's eastern provinces that he had seen "streams of trucks and boats carrying China's natural resources out of the country: tung oil, tungsten, tin and tea." [1] Undoubtedly the traffic has since increased, in view of China's inability to ship its products abroad as before. Tungsten, in particular, has been a cause of concern, and United States Government agencies have been disturbed by reports that this strategic mineral is being sold to the Japanese.

Clearly, whatever may be said for the necessity of conducting trade with enemy areas under China's current extreme supply difficulties, the situation is one that requires careful control if it is not to help Japan in important ways, and injure the morale of Free China. At present the problem is not being handled in such a way as to avoid these effects.

1 *The China Weekly Review* (Shanghai), January 11, 1941, p. 213.

Ever since the closing of the Burma Road the United States and Britain have sought to open up new routes to China. The most important achievement so far has been the development of air transport from north-east India into Yunnan province. This service was initiated in April 1942, within a month of the fall of Rangoon, but operated for a long time with only a handful of antiquated planes. Almost two years later a newspaperman revealed that in those early days the officer in charge [2]

"had almost no staff, almost no pilots, almost no spare parts, almost no service personnel, almost nothing in fact. He began operations from a single strip airfield with no dispersal areas. Servicing was done in the open beside the runway. Crews loaded their own planes. A wrecked radio that had been destined for some unit in Burma was commandeered, repaired and made to serve as the communications center."

The main problem was to secure sufficient planes. Chungking frequently complained that aircraft assigned to the China run were diverted elsewhere, and it certainly is a fact that India was stripped of planes when the Axis forces drove forward in North Africa in the summer of 1942. For over a year this issue, along with others, poisoned China's relations with the United States and Britain.

Gradually conditions improved. In February 1942 the monthly load brought in from India reached 2,600 tons. Although this did not compare too unfavourably with some of the low points of the Burma Road traffic (less than 3,000 tons a month in the autumn and winter of 1940), it was far below the level of roughly 20,000 tons at the time of Pearl Harbor. By the summer of 1943 the number of transport planes had increased, plane capacity had been raised, American and Chinese pilots had developed greater experience, airfield facilities had been improved, and there was somewhat more effective ground transport from the delivery point in China to war fronts and other areas in which supplies were to be used.

2 Tillman Durdin, *New York Times*, January 7, 1944.

Early in 1944 the monthly tonnage flown into China was said to exceed top figures for the Burma Road, and in October 1944 the United States War Department announced that over 23,000 tons had been delivered by air in one recent month.[3] It is worth remembering, however, that the Burma Road carried civilian as well as military supplies, while air freight consists almost entirely of war materials. China's present imports therefore have no direct effect in checking commodity price increases. Moreover, planes flying in from India — like the trucks on the old Burma Road — carry large quantities of gasoline for the return trip and for the use of United States aircraft in China. This means that net supplies total much less than the overall tonnage would indicate.

Attempts have also been made to develop new land routes. Early in 1943 the government of Tibet was reported to have agreed to the transport of non-military supplies across its territory from India to China. How little this means is clear from the fact that pack animals are being used over long, difficult trails often at an altitude of 12,000 feet! More promising are the so-called Ledo Road and the Calcutta pipeline from India into northern Burma. The Ledo Road project was launched in December 1942 from Ledo, India, across terrain which includes both high mountains and thick, wet, malarial jungle land. The object was ultimately to link up with the old Burma Road leading from Burma into south-western China. The capture of Myitkyina in northern Burma and Tengyueh in Yunnan province in the summer of 1944 opened the way for completion of this new and difficult route. But the Ledo Road, although helpful, will provide only a trickle of materials in terms of China's needs, despite overoptimistic estimates of its possibilities.[4]

[3] In January 1945 the total was 44,000 tons.

[4] The first motor convoy from India to China crossed the Chinese border on January 28, 1945, breaking the southern land blockade that had existed since the cutting of the Burma Road early in 1942. In an address commemorating the opening of the Ledo-Burma Road Generalissimo Chiang Kai-shek renamed it the Stilwell Road. Included in the first convoy were jeeps, ambu-

The pipeline from Calcutta for oil and gasoline got under way in December 1943, and major construction began in March 1944. The project already reaches into northern Burma and, when completed into central Yunnan, will be the longest pipeline in the world. It should greatly ease China's fuel problem, permitting the use of land and air transport facilities entirely for other materials.

It does little good, however, to bring supplies into China if they cannot be moved properly within the country. At the present time internal transport, always one of Free China's weak points, remains in a very critical state largely because the loss of the Burma Road cut off imports of spare parts. Conditions will improve when the Ledo route opens, but today most of the trucks that were in operation before Pearl Harbor are off the road. Those still in use are kept running by what is called "truck cannibalism" — the practice of dismantling vehicles so that their parts can be used to keep other trucks in repair.

The fact remains that the bulk of goods for the army and for China's civilian population is moved by human feet and hands. Although the government built a valuable network of motor roads and other highways in the early years of the war, especially to link the capital province of Szechwan with surrounding areas, China's West continues to be extremely backward in its transport and communication facilities. Human carriers are still the most important means of land transportation, and junks lead on the navigable streams.

The government has sought, by co-ordinating various primitive methods of carrying goods, to create provincial and interprovincial stage transportation routes maintained by coolies, junks, carts, and animal power. It has also tried to meet the fuel shortage by developing oil wells in Kansu province in the North-west, cracking tung and other vegetable oils, expanding the production of alcohol, and converting many trucks, buses, and motor launches to coal and charcoal. But

lances, and medium and light artillery, as well as trucks loaded with ammunition and other supplies.

the sum total of the results falls far short of China's needs. This is chiefly for lack of facilities, but arises in part from grave administrative inefficiency, since even where the possibility of effective transportation really exists it is often difficult to get commodities moving inside China. The situation is reminiscent of conditions on the old Burma Road, whose operation was long plagued by graft, incompetence, and political interference. There is no sign that the cutting of that route also meant the end of the practices once associated with it.

Undoubtedly supply conditions will improve as Japan is driven toward defeat. But this means that Chinese and other United Nations forces will find it necessary to clear the Japanese out of sections of the Yangtze River valley and, most important, reopen a South China port such as Canton. For only when China again looks out on the China Sea can its supply problem be fundamentally eased.

*

❀ III ❀

HOARDER AND PROFITEER

"To a considerable degree social life is as lax now as in peace time since many merchants have taken selfish advantage of wartime conditions to profiteer and enrich themselves."

CHIANG KAI-SHEK, in a message to the People's Political Council, October 22, 1942.[1]

THOUGH China's supply situation is extremely difficult, imported goods are on the whole not essential to the livelihood of the mass of the Chinese people in the interior. Rice, wheat, vegetable oils, salt, and cloth are the articles that really count. For cloth alone is China dependent to a significant degree on imports, although it should be able to meet a large part of its requirements from its own resources. On the other hand, it must be recognized that stocks of salt have been diminished through loss of territory to Japan, and that supplies of rice, wheat, and oils are not very much above the absolute minimum necessary for subsistence. Price increases in these articles of domestic origin have therefore been inevitable, but it might be expected that some checks would exist in the form of widespread, locally initiated control measures, involving the participation of the general populace. Moreover, since all the commodities mentioned above have customarily been moved in the countryside by such primitive means as junks or coolie labour, trucking difficulties should have no important effect on their normal distribution, although food distribution would obviously be far better if trucks were available for this purpose.[2]

1 Chiang Kai-shek, *Resistance and Reconstruction* (New York, Harper, 1943), p. 305.

2 The statements made in this paragraph apply to the interior regions. In coastal China rice imports from Thailand and Indo-China used to play an

It is worth repeating that under the best of circumstances a country with China's backward economy and war-time difficulties could hardly avoid an acute rise in prices. But this does not explain why by the middle of 1944 prices had gone up five hundred times since 1937 rather than one or two hundred times. One important reason for the difference appears to be that, particularly since 1940, commodity hoarders and speculators have been feathering their nests at the expense of the Chinese people and China's war effort. Because these profiteers have far-reaching influence within the government, no effective steps have been taken against them. Consequently, all measures adopted to curb inflation either have been completely ineffective, or have been misapplied so as to make groups other than the "black marketeers" bear the chief economic burden.

This means that China's merchants and landlords continue to garner huge profits by hoarding goods until they can be sold at fantastic prices. As long ago as October 1941, a correspondent of the London *Economist* wrote from China that the unjustifiably high cost of many imported articles resulted from speculative hoarding and "withholding from the market of the commodities in question by every hand through which they pass." [3] At that time Chungking wholesalers were said to be making profits of 25–30 per cent, and retailers 50–100 per cent or more. But because the prices of imported goods were becoming more and more prohibitive, profiteers were already concentrating on domestically produced necessities like rice, salt, and sugar.

This brings up the question of Free China's food problem, which depends not only on the size of the crop, but also on the quantities available in the market. In general, war-time harvests of rice and other crops have been satisfactory, and in several years they have been good, for example, in 1944. Even

important part, but have been cut off. Moreover, wherever famine conditions exist relief is extremely difficult because of the absence of trucks or other modern means of transportation.

[3] See issue of December 6, 1941, p. 686.

in 1940, when the rice crop was poor and food prices began to soar, the bad harvest was not the fundamental cause of the increases, although it had an accelerating effect on them. Rice stocks in Szechwan, for example, were quite adequate, but prices nevertheless rose markedly. In fact, rice in the market was especially scarce in the fertile, well-irrigated Chengtu plain, which had suffered least from crop difficulties. In this area powerful landlords refused to sell their surplus rice, preferring to hold it for higher prices.

One of the most serious aspects of the entire situation is the government's failure to siphon off a significant part of the money and commodities going into speculation and hoarding. One would expect much of this surplus wealth to be taken through taxation, but this is not the case, for income, inheritance, and excess profits taxes are not applied effectively. The explanation is to be found partly in the technical difficulties of centralized tax collection under China's pre-modern economy, and partly in the effective opposition of China's merchants and landlords, who prevent the application of measures that are accepted as a matter of course in many other countries. For the habits of China's property-holding class are quite different from those of comparable groups in the United States or Britain. It is no wonder that on May 21, 1944 five professors of the National Southwest Associated University declared in the *Ta Kung Pao:* "We sincerely believe that the basic cause of the present situation is that the wealthy class is not sharing China's war expenses, which gives rise to inflation." [4] They estimated that the wealthy were not bearing more than 3 per cent of expenses, although they should pay from 12 to 20 per cent.

Although real tax income has risen since 1941, the total is strikingly inadequate. To meet the financial demands imposed by war the government has inevitably turned to the

[4] *Shanghai Evening Post and Mercury* (New York), June 16, 1944. *New York Times,* May 22, 1944.

printing press. Up to June 1944 Chungking had issued bonds that were reported to total about Ch.$13,000,000,000, but less than one-third had been taken by the public. The remainder had been "purchased" by the government banks, i.e. the government itself, thereby making necessary a vast increase in the note issue. Moreover, Chungking printed still greater quantities of paper by making further use of central bank credit.[5] It is true that in any event China would have to add greatly to its note issue to cover expenses. But far less new currency would be necessary if the wealthy classes were taxed in an effective manner and prices were kept down through measures against hoarders and speculators. Steps along these lines have become still more urgent since Japan's recent advances. In 1944, for example, Chungking lost the tobacco region of Honan, which had yielded important revenues.

The only genuinely successful taxes have been those levied, in effect, on the mass of the people. The most important of these is the land tax in kind. Before 1941 this was a money tax paid to provincial governments, not the National Government. But it proved an increasingly ineffective source of revenue, for, despite the decline in the purchasing power of money and the rise in the value of all crops, Chinese landlords in 1940 were still generally required to pay only the same number of dollars in land taxes as before the war. This meant that landowners were better off than before hostilities began, since inflation had brought about a reduction in their taxes.

By the early months of 1941 the position of the National Government was desperate because of the economic pressures of a protracted war. Chungking was stirred by a tremendous ferment: prices were soaring, queues of people lined up in the capital to buy what was called "fair price rice," almost all the newspapers had articles on the food problem, and rice was

[5] By the end of 1944 Chungking's total note issue must have been well over Ch.$100,000,000,000. See Theodore H. White, "'Life' Looks at China," *Life*, May 1, 1944, p. 101.

the chief topic of conversation. It had become imperative that the government increase its tax revenues and assure minimum supplies of food for the armed forces and civil servants. These objectives could be achieved by converting the land tax in cash into a tax in commodities, i.e. in rice or wheat.

Behind the scenes there was bitter opposition to introduction of the tax in kind, and it was even said in Chungking that if the government went forward with its plans, Generalissimo Chiang Kai-shek would be unseated. But at the Third National Financial Conference in June 1941 the program was adopted. As a parallel measure, particularly since the tax in kind was not expected to yield large quantities of grain in the first year, the government was empowered to buy foodstuffs direct from large producers and landlords at prices below the market. Quotas were fixed for these compulsory purchases, and payment was to consist of 30 per cent cash and 70 per cent Food Treasury Notes (certificates which landlords might use in meeting future land taxes). Not least important, all land taxes were to be paid directly to the National Government, not indirectly through the provincial administrations.

The landowners did everything they could to hamper the execution of these plans, especially the compulsory sale of grain to the government, but the collection drive for 1941 was on the whole successful. In 1942 quotas and actual collections increased, and in 1943 it was estimated that 45 per cent of the government's revenues — admittedly inadequate — would consist of land taxes and compulsory purchases. Unquestionably the land tax in kind has been the most effective financial measure of the war, and it is very doubtful whether Chinese resistance could have continued without it.

Yet study of China's growing inflation and the operation of the new tax system indicates that excess profits and hoarded commodities have not been drained off to any significant degree, and that landlords and merchants have perverted the application of the plan through their influence in national and local government. The main burden of the tax in kind has

fallen on the smaller landowners. One commentator, on the whole favourable to the new system, remarks that [6]

"the increasingly affluent landlords are not reached by the taxation and requisition, and their opportunities to acquire more land are thus further enhanced. The tax-ridden small proprietors find no way of escape and therefore become more poverty-stricken. Moreover, from the point of view of the government's policy to increase the public food supply, the real surplus of the landlords has not been tapped, while the necessary food for the farmer's own consumption is taken away."

There is no indication that this process of grinding down the small peasant owner has been stopped or retarded since the above lines were written. In fact, reports indicate that the dispossession of the peasantry has been accelerated.

At least one significant conclusion may be drawn from the facts presented in this chapter: that the problem of inflation in China (as in other countries) is a matter of politics, as well as a technical question. There are some things that the Chinese Government cannot possibly do for itself and that will have to wait until masses of supplies are available from abroad, but there are other measures that depend on the willingness of the government to come to grips with the country's hoarders and speculators. These actions, however, can hardly be taken until the people of China are permitted a genuine voice in current decisions, in addition to their promised voice in time to come. Effective efforts to combat the present disastrous trend are indissolubly linked with the growth of political democracy in China's villages and towns, so that a strong popular counter-force can develop in opposition to the forces making for economic confusion.

[6] Liu Kuo-ming, "A Study of the First Year of Tax in Kind," *Central Daily News* (*Chung Yang Jih Pao*), August 1–2, 1942.

IV

HOW MUCH GOVERNMENT CONTROL? *

"As long as there is no 'trade union' which can direct the activities of the merchants of the whole country, and as long as Chinese labourers are not organized into their proper unions, any attempt to enforce economic control will be handicapped."

C. H. CHU, in the *China Quarterly* (Hong Kong), Summer 1941, p. 303.

THE UNITED STATES is not the only country in which war-time governmental control of economic enterprise has caused considerable discussion. In China, also, this has been an important question. But there is one striking difference between the two situations. In Washington the main issue has been to what extent the government *should* regulate private activities to make the waging of the war most effective. In Chungking, on the other hand, the chief question has been whether the authorities actually possess the technical power (knowledge, facilities, and administrators) to control economic processes from the capital.

The Central Government has based its entire war-time economic policy on the assumption that it does possess this power. Its constant effort has been to establish strong control over all important economic developments, including production, consumption, manpower distribution, and prices. Moreover, Free China's war-time industry is in large part government-managed or owned. At every point the tendency, in dealing

* Recently Chungking has relaxed a few of the governmental controls referred to in this chapter, but the degree of change is not yet clear. In a press conference of January 24, 1945 T. V. Soong referred to the abolition of the monopolies on salt, matches, and cigarettes. He said the cost of collection had been too high, and the government wished to encourage free enterprise. This modification of policy reflected the conditions discussed in the next few pages.

with problems, has been to depend wholly on Central machinery rather than to encourage local initiative in general conformity with an overall Central policy.

The instance of the land tax in kind has already been discussed. Another example is the introduction in 1942 of state monopolies in the production and sale of several widely used commodities, including salt, matches, and tobacco, with the declared objectives of raising output and increasing the government's revenues. A third case in point is the effort to establish price ceilings.

It is characteristic of these and many other economic measures adopted by Chungking that they bear a strong resemblance to the war-time policies of industrially advanced countries. That this is not accidental was indicated by Generalissimo Chiang Kai-shek in May 1942 in an address on the National General Mobilization Act, the most far-reaching centralizing move taken since the beginning of resistance. "The legislative content of the Act," he said, "is much the same as that of similar measures in other countries." And he stressed the point that such legislation is part of a "modern nation's existence." [1]

With the passage of time the policy of economic control has been subjected to criticism inside Free China. Most of the objections relate to the details of operation, some to the entire theory behind the measures. Even in the case of the relatively successful land tax in kind, the system has been extraordinarily cumbersome and expensive. In the first year of operation peasants often had to be away from their fields for days because of the distance to the tax-collection offices. Nor is there any doubt that many tax officials engaged in shamefully corrupt practices. But what is most serious is the fact that the cost of administration is estimated to have totalled two-fifths of the entire grain returns. Indeed, a writer in the *Ta Kung Pao* went much farther and stated that the overhead expenses

[1] *All We Are and All We Have* (New York, Chinese News Service, 1943), pp. 19–20.

in collecting the tax were many times the value of the grain collected.

When government control is so expensive, its effect is to raise prices and encourage inflation. This appears to be particularly true of the commodity monopolies. For in July 1943 a government spokesman declared, with reference to recent increases in salt and match prices, that the upward movement resulted from higher manufacturing and transportation costs *and the need for more revenue.* China's tax policy, he said, is to "pluck the goose with as little squealing as possible." [2]

A contradictory policy was being pursued, that of raising prices in order to secure funds for the government, so that it could check inflation by not having to issue so much new paper money for its expenses! In effect, the "goose" was being plucked, while landlords and speculating merchants went untouched. The results were indicated succinctly by the *China Times,* when it declared in the summer of 1943: "Taxes affecting the production and flow of goods should be reduced or even abolished, for heavy taxes on commodities are bound to increase their prices." [3]

Perhaps the plan to establish price ceilings in Chungking should be regarded as the most ambitious individual control measure yet adopted. In 1942, when careful control of pork prices was instituted pork vanished from the Chungking market. Buyers went into the suburbs of the capital, where the controls were not effective, to make their purchases. The same results were observed on a larger scale when general price control was adopted in the spring of 1943: goods left the market and went to areas where the regulations were not operative. Where the controls were enforced and ceiling prices actually were observed, articles were not of the same quality as before. Black markets sprang up everywhere. Finally, the whole scheme was dropped, and price control became for the most part an empty phrase.

[2] *New York Times,* July 28, 1943.
[3] *Christian Science Monitor,* August 19, 1943.

In view of all these experiences, why has Chungking adhered to a policy of rigid Central control? Many factors enter into the answer. One is the desire (arising from an understandable national pride) not to be less advanced than other countries in the adoption of economic measures. Undoubtedly there is also the belief that centralization in war time will lay the basis for a strong post-war China, capable of frustrating any future Japanese aggression. Moreover, it should be borne in mind that China has no tradition of government non-intervention in economic life. As far back as the first century B.C. official salt and iron monopolies were established, with the double effect of yielding valuable revenues to the landlord-controlled régime and checking the rise of an independent middle class. Apart from these factors, it is natural for leaders of the Kuomintang, the official party, to use the technique of centralization, since their main object for many years has been to assure the dominance of their authority over the entire country.

On the other hand, Chinese opponents of control feel that their country is not yet prepared to adopt the economic practices common in industrialized nations. They point to China's decentralization; its lack of railways, telephones, and telegraph lines; its shortage of trained executives, engineers, and skilled workers; its widespread illiteracy; and the absence of uniform weights and measures. Under these conditions costs are naturally high, since typewriters and all the technical apparatus needed in the conduct of day-to-day economic activities are for the most part lacking. Nor is it surprising that corruption is widespread and that public economic enterprises become political footballs in the struggle of officials for influence.

The difficulty lies in the alternative. If the National Government lacks the technical resources to execute its control policy, then the only substitute for this approach is to mobilize the people of the country to help in the enforcement of measures against inflation. If Central agencies by themselves are ineffective, the way out would appear to lie in the encour-

agement of popular local agencies. There is no question but that in every community the hoarders and speculators are well known to the local population, but it is also true that political power rests with the landlords. No peasant would ordinarily dare to try doing anything about practices causing inflation, since he would be at the mercy of those he had attacked. Nor do the peasants have any means of making their opinions known.

The general nature of the internal changes required to deal with inflation was suggested by Wendell Willkie some time ago. Writing of a possible solution to the problem, he declared: "I am sure that one of its chief features must be a loosening of the tight controls over Chinese economic life and of hereditary property and a mobilization of the enormous human resources of the country for the production of goods and services on a far larger scale than at present. . . . It is up to the Chinese people to decide how they want to organize and finance that greater flow and production of goods and services. More widespread ownership of the land than I found anywhere in China would help. So would a greater degree of decentralization of financial control. . . . The government will inevitably play an important part; it seemed to me it might be wise to cut the people in on it to a larger extent." [4]

Instead of "cutting the people in," Chungking has restricted its anti-inflation strategy to technical measures or to isolated actions against individual speculators. It has, for example, used U.S. $200,000,000 out of a loan of U.S. $500,000,000 extended by the United States early in 1942, as backing for issues of Savings Certificates and Allied Victory Bonds. But the scheme was not pursued further because profiteers used it for their own advantage. Recently it has become known that the Chinese Government is importing gold from the United States in small quantities under the loan mentioned above. The idea is

[4] Wendell Willkie, *One World* (New York, Simon and Schuster, 1943), pp. 63–4.

to sell this bullion in exchange for paper currency. But there has been no marked effect in keeping prices down.

Spectacular steps against individual offenders have sometimes been taken. For example, in December 1940 a former Mayor of Chengtu, the provincial capital of Szechwan, was executed for hoarding. And in March 1943, during ceremonies on the eighteenth anniversary of Sun Yat-sen's death, sixteen "treacherous" merchants were marched through the streets of Chungking. One was the owner of a big Chungking department store who, like the others, had been arrested on charges of violating price ceilings and smuggling food. But, however satisfying such displays may be to an angry populace, much stronger and more generalized action is required to meet a problem that goes beyond the illegal practices of a few individuals.

V

FATE OF CHINA'S BUSINESSMEN

"There have been cases recently of productive enterprises which have become stagnant or have drifted away from their original lines of manufacture, due to the rise of prices or the fear of unaccustomed measures of government control. Other enterprises have arbitrarily cut down their production or become hoarders of raw materials on the grounds that their returns from finished products barely covered the cost of production, which made it impossible for them to continue producing at a profit."

CHIANG KAI-SHEK at the Second National Production Conference, Chungking, June, 1943.[1]

ONE OF THE GREAT SAGAS of the early period of Chinese resistance was the transportation of thousands of tons of machinery from the invaded coastal areas into the far interior beyond the reach of the enemy. The story of this heroic action, accomplished under extraordinary difficulties, was told and retold so often as to give rise for a long time to a widespread impression that China possessed a well-developed modern industry. The unfortunate fact is that the total amount of equipment carried inland was only a very minor fraction of the country's pre-war industrial capacity. This does not mean that the achievement was of no importance, for without the machinery saved from its lost cities Free China might not have survived; but it does mean that Americans should have avoided romantic exaggerations of China's industrial power. The facts were at hand for anyone who wished to see them.

Early in 1943 the Ministry of Economic Affairs in Chungking estimated that there existed in Free China 1,915 privately owned factories employing more than thirty workers each and using some mechanical power. In the aggregate,

[1] *Far Eastern Survey* (New York), August 11, 1943, p. 163.

however, these were much less important than government-owned or government-financed industries, which included all new blast furnaces and steel works; most of the new machine shops and plants producing electrical machinery and materials; and all newly opened coal, iron, and non-ferrous ore mines.

The major part of government enterprise has been run by the National Resources Commission, which, shortly after Pearl Harbor, controlled more than 100 units of heavy industry, including factory, mining, and power enterprises. Government-owned plants at that time were turning out electric generators, boilers, gas engines, electric wire, lamp bulbs, radio tubes, chemicals, and military and ordinary telephones. The Ordnance Department of the Ministry of War operated arsenals and was interested in iron and coal production, while the Ministry of Communications ran the workshops of the government-owned railways as well as machine shops producing automotive spare parts.

The significance of this industrial development will be greatly exaggerated if we think in American terms. Although limitations of language make it necessary to speak of "steel works," "power enterprises," "factories," and "plants," these words have an infinitely more modest meaning in China than in the United States. The largest steel rolling machine of the National Resources Commission, for example, had a daily capacity of ten tons early in 1942. Moreover, the capitalization of Chinese factories is quite small, although it may sound imposing when expressed in Chinese dollars.

It is hardly necessary to say that, with access to foreign supplies cut off and the major portion of their pre-war modern industry in Japanese hands, the Chinese could not with all the will in the world do things on a vast scale. But what is worth considering is the degree to which Free China has used its own resources to surmount difficulties and to raise production. For while Chungking cannot now be expected to set up great modern factories, it does have the possibility of expanding, or

at least maintaining, production through the use of comparatively primitive techniques, especially since it possesses cotton, iron, coal, and other essential raw materials.

Official figures declare that in 1942 there was an increase in the output of coal, iron, steel, machine tools, various chemicals, and liquid fuel (industrial alcohol, diesel oil, and gasoline derived from vegetable oil and crude petroleum). But for the following year Chinese statistics tell a different story. In January 1944 Brooks Atkinson of the *New York Times* was permitted to send the following gloomy report through the censorship from Chungking: [2]

"Industrial production is generally declining. Of the 364 machine factories in the Chungking area, fifty-five small units have closed down, thirteen have suspended operations and more are expected to do so before spring. Despite an increase in cotton textile production in Honan and Kwangsi last year, spinning mills showed a slight decline as a whole during 1943. Alcohol plants produced more last year. Coal production rose about 10 per cent in 1943.

"All other mineral output is declining . . . tungsten is slumping because of the high cost and a shrinking market. In Yunnan, the Kechiu tin mine output declined from its maximum of 10,700 tons in 1938 to its minimum, slightly over 2,000 tons last year. Only about 5,000 tin miners are still working. All the rest, numbering many thousands, have returned to their farms."

Steel production was not discussed in this dispatch, but it is known that in 1943 Free China produced under 10,000 tons of steel and roughly 30,000 tons of pig iron. Yet, according to the *Ta Kung Pao,* even at so low a level China's "iron and steel industry . . . produces more than consumers can buy." [3] This amazing situation — amazing in view of Chungking's desperate shortage of metal products — arises in large part from the demoralized state of Chinese industry. The manufacturer, for one thing, is beset by grave technical difficulties, including transportation problems and shortages of raw mate-

[2] *New York Times,* January 19, 1944.
[3] *Far Eastern Survey,* cited, p. 164.

rials, skilled labour, and electric power. In fact, some of the commonest stories from China are anecdotes about ingenious methods of surmounting obstacles of this type.

Nevertheless, purely technical factors are only part of the picture. They are all-important in explaining why China's production is not on an American, British, or Japanese level. But if the question is why Chinese industry does not achieve better results with the resources at its disposal, the answer will be found largely in inflation, the resulting scarcity of industrial capital, the effects of taxation, and the stifling influence of government control.

In the early stages inflation had a stimulating effect on industrial activity, but today the results are quite different. With prices rising from week to week, the money that must be kept on hand for the day-to-day operation of economic enterprises falls steadily in value. This is especially serious for the small industrialist, who is likely to find that he cannot conduct his business with the dwindling sums at his disposal. Inevitably he is pushed to the brink, not through any fault of his own, but because the constant upward march of prices simply makes it impossible for him to survive, if he remains in industry. Besides, since private firms, like government offices, usually supplement employés' salaries with rice allowances, the ascent of rice prices creates a serious burden. As far back as the summer of 1941 some Chinese manufacturers almost closed down because they could not raise sales charges enough to cover higher food costs. They were saved for the time being by a temporary fall in the price of rice, but later the situation again grew very difficult.

Actually there is little incentive toward private investment in industry, because speculation and hoarding are much more profitable. A person with surplus funds has no reason to face the hazards of production, when he can make money more quickly and almost without risk by buying commodities and holding them for higher prices. Moreover, in so far as China's wealthy classes are taxed, the burden of taxation is much heav-

ier on industry than on commerce. Inevitably the major interest of those with money is in the exchange and re-exchange of existing commodities, not in the production of new goods. The small businessman finds more and more that his only hope lies in hoarding the raw materials in his possession rather than in converting these materials into finished products.

The effect is to stop the wheels of industry. Capital is readily available for all kinds of harmful economic activities, but not for production. Even government industry, which ought to provide a corrective influence, apparently fails to make its proper contribution. For, as the *Ta Kung Pao* complained some time ago, "in all industries commercial capital combines with special [i.e., official] capital for war profits. Neither the country nor the community has benefited and good industrialists of inferior wealth and interest are unable to compete." [4] The same newspaper also gave a penetrating description of China's war-time economic tendencies when it stated that merchants are buying up land ("in order to stabilize their newly-won wealth for the rest of their lives") and landlords are going into trade ("to increase their profits since they see the growing prosperity of the merchants"), but that "neither of them wants to invest in industrial enterprises." [5]

Government enterprise in China, although necessary in fields crucial to the state or beyond the power of the country's weak industrial class, has undoubtedly helped to stifle private industry. This was already clear several years ago, when an observer of Chinese conditions noted that [6]

"the octopus of Government business tends to become self-perpetuating and aggressive. As it spreads and acquires ever greater weight, it increasingly crowds out what remains of private business. It encroaches now upon fields which private business could still handle, and the latter finds itself excluded from an increasing

[4] *New York Times*, March 13, 1943.
[5] *Far Eastern Survey*, cited, p. 164.
[6] *Economist* (London), December 6, 1941, p. 686.

number of formerly remunerative spheres of activity. Private business men are gradually losing any feeling of economic responsibility they may have had. Moreover, pushed on to economic byways by inflation, they are more and more engaging in speculation."

The government has been far from generous in allotting funds for either official or private industry. Some Chinese circles have maintained that financial assistance to industry would not be of much help, since imports of essential supplies are needed before there can be any significant rise in output. But this seems to be a matter of arguing against doing as much as possible on the ground that what is possible is not enough. To an outsider it would appear that China cannot afford to overlook any measures that will help it to pass through its present economic crisis.

Many of the conditions faced by private industry are revealed in the story of the Chinese Industrial Cooperatives, whose units have been especially hard hit by inflation and government economic control. The co-operatives, which were established in 1938–9 with the blessing of the Chinese Government and considerable foreign support, have engaged in productive activity in many sections of China. Their output includes blankets, medical supplies, uniforms, chemicals, paper, and a host of other articles. They also developed the slogan *Gung Ho* (work together), later adopted by Evans F. Carlson as the motto of his Marine Raiders.

The co-operatives not only have suffered from the steady decline in the value of their working capital and the enormous difficulties faced in feeding workers, but also have found themselves ground between the millstones of raw material shortages and political opposition by Chinese reactionaries. The situation is all the more regrettable because the C.I.C. has made — and, despite all obstacles, is continuing to make — a useful contribution to China's resistance.

It was shown in a previous chapter that price control is

hardly more than a fiction as far as Chinese consumers are concerned. But control nevertheless has marked repercussions on private industry. Like the co-operatives, small industrialists often find themselves compelled to observe the ceilings on what they sell; but the ceilings are ignored when they step into the market to buy the raw materials needed for production. In effect, the government is using the shotgun of economic control against the industrialists, who are essential to the war effort. Meanwhile, the game that Chungking is supposedly after, namely the hoarder and speculator, scampers freely across the length and breadth of Free China.

While Free China in its seven and one half years of battle has suffered all the economic dislocations of war, Chungking is still urgently in need of developing a war economy. Not, to be sure, the kind of war economy possible in a highly industrialized country, but rather a type of economic mobilization suited to Chinese conditions. During the past few years the Chinese people have been faced by a grim paradox: at the same time that imports from abroad have diminished, domestic production has fallen. Increased isolation from the outside world has not been accompanied by increased self-sufficiency. Indeed, visitors to Chungking are amazed to find unused lathes in a country that stands so desperately in need of foreign equipment.

What China requires — and this is a Chinese as well as an American view — is a stern campaign against inflation, with popular participation. The government needs to harness the support of its people in curbing speculators and hoarders. Greater government financial aid would facilitate the expansion of private industry, and steps to insure higher profits for industrialists would draw more capital into productive channels. Not least important, government controls that build up the political power of special groups, but impede private enterprise, should be abandoned. China is not in the same position as advanced industrial nations, which find that one of their main war-time economic problems is to *regulate* indus-

try. Rather its chief concern should be to *create* industry, and to avoid hampering any forces that can contribute to greater output.[7]

[7] In recent months some steps have been taken to deal with financial and technical conditions affecting China's war production. In December 1944 a Chinese War Production Board, established at the advice of Donald M. Nelson, arranged to borrow Ch. $10,000,000,000 from the four government banks for the purpose of financing essential production. Mr. Nelson subsequently announced that some of the difficulties with regard to interest rates and red tape involved in making industrial loans had been mitigated. He expected that, as a result of these changes and the work of an American technical mission, China's total war production by the spring of 1945 would be at least double the rate of November 1944.

These were noteworthy achievements, especially under the conditions prevailing in China, but it is necessary to be cautious in drawing general conclusions. For Ch. $10,000,000,000 is a far smaller sum in United States dollars (let us say, anywhere from U.S. $10,000,000 to U.S. $50,000,000, as of February 1945), and the doubling of China's war output would still mean a very small total production, considerably below China's current capacity. Moreover, the general factors making for economic weakness — for example, hoarding and profiteering — continue as before, and there is no sign that the Chinese Government intends to take the political and economic measures necessary for fundamental improvement.

VI

FOOD AND POLITICS

"The coming winter will be a terrible one unless help on a very large scale is forthcoming from somewhere, and this too is a difficult problem because of transportation. Meanwhile the Japanese may raid for rice, which will further aggravate the situation."

From a letter on conditions in the Bias Bay area near Canton, *Shanghai Evening Post and Mercury* (New York), October 22, 1943.

IN CHINA, as in all countries, food and politics are blood brothers. The effects of inflation on living conditions have already been discussed, but Chungking's food problems are seen at their worst in famine areas. Recent years have witnessed mass starvation in Honan and Kwangtung, while in some other sections peasants have suffered more than the usual amount of hunger. Fortunately, crops have been satisfactory in the larger part of the country, and the government has at no time been threatened by a national famine. Moreover, the provinces hardest hit have been on the borders of Free China rather than at the heart of the national domain.

There is, of course, nothing new about famine in China. Throughout the country's history starvation has been a frequent occurrence in one area or another. Peasants desperate for food have overthrown princes, dynasties, and war-lords. The results might not prove equally serious under current conditions, but famine unquestionably represents a grave menace to China's political stability and progress. Lack of food should not be dismissed as unimportant because "the Chinese have always been hungry." There is a political, as well as a biological, distinction between ordinary under-nourishment and actual starvation.

What famine means to the people who suffer from it is in-

dicated by the report of a Y.M.C.A. worker in northern Kwangtung: [1]

"I saw scores of starving people coming from the mountain carrying yellow root bugs for food. Their food value is low and people who eat nothing else soon die. In the mountain villages people eat the king root, which is used for dyeing cloth. This makes them swell and die."

In the summer of 1943 the Church Committee for China Relief reported that nine-tenths of the population of one Kwangtung district, normally containing two million people, were near starvation. A relief worker in another district of this province reported some time afterward that four out of every ten persons had died of starvation. In January 1944 George E. Adams of the Kwangtung International Relief Committee asserted that "eighty per cent of the population of some villages has been wiped out by famine and disease." He added: "Countless thousands of children are orphans. Thousands have become migrant beggars." [2]

Many factors have combined to cause famine in China during these war years. Drought and other natural conditions have usually been present. In the coastal areas of the south the Japanese blockade has had serious effects, for districts that normally do not produce enough rice to meet their own needs have been unable to make good their deficiences by importing rice from Indo-China. This difficult food situation is frequently aggravated by the presence of numerous refugees who flowed into the back country after Pearl Harbor.

War has had other repercussions for the Chinese peasant. It is part of Japan's established military strategy to launch brief campaigns at sowing time, interfering with the planting of the crops, or to sweep down during the harvest and seize or destroy the fruits of a season's labour. Even in areas that have been free of Japanese "locusts," the farmers often suffer from heavy military requisitions of grain by the Chinese Army. Nor

[1] *Shanghai Evening Post and Mercury*, July 23, 1943.
[2] *New York Times*, February 1, 1944.

is it easy for the peasant, under the best of conditions, to keep up food production when so many of the strong young men of the countryside have been conscripted. At the same time good land lies idle near the war fronts because of the risk of cultivating in a battle zone. And transport difficulties provide very serious obstacles to famine relief, since it is often impossible to carry the surplus grain of one area to another suffering near by for lack of food.

The manner in which some of these factors produced famine in Honan province is a grisly tale — a mixture of Japanese invasion, natural disasters, and grave mishandling by the Chinese authorities. . . .

By the late summer of 1942 famine had made its appearance in Honan. A two-year drought, spring frosts, locust plagues, and a brief Japanese invasion of some districts in 1941 had all contributed to this result. Nevertheless a fair crop was harvested, and in all likelihood the situation would not have been serious if the peasants had not been forced to give up their wheat in order to pay taxes.[3] There were three taxes: a nominal land tax, a military tax of 16 pounds of wheat per acre, and a miscellaneous tax of 20 pounds per acre for local government, schools, and other purposes.

Some districts asked the provincial authorities to take the entire local crop and cancel all taxes remaining above that amount, but these offers were refused. Many districts did not even have enough wheat to pay the land tax, and peasants frequently had to sell land, homes, and oxen to meet the government's demands. An official reduction in taxes was later granted, and ultimately all unpaid taxes were cancelled; but this did not occur until a large part of the taxes had been collected, and famine was ravaging the province.

Soon reports of mass starvation began to seep out of the stricken areas, and in April 1943 Chungking issued an official statement, calling the Honan famine the greatest natural disaster the country had experienced since the beginning of re-

[3] *Shanghai Evening Post and Mercury,* June 4, 1943.

sistance almost six years before. Five million persons were said to have been affected. But private estimates ran far higher.

Some steps have been taken to aid these and other famine sufferers in China. Money has been contributed by various foreign groups, overseas Chinese, and relief organizations in China. The National Government has naturally been in the forefront, appropriating money for direct aid to the afflicted areas. Moreover, in 1943 Chungking decided that for every United States dollar given for famine relief, it would contribute an equivalent number of Chinese dollars at the official exchange rate. This meant, in effect, that the exchange rate on relief funds from abroad was being raised to 40 to 1 from the regular figure of 20 Chinese dollars to one American dollar. In 1944, with the full approval of the Chinese and United States Governments, a Clearing Board, composed of Americans, was set up in Chungking. The function of the Board was to sell the dollars of American relief organizations at a more favourable rate than had previously been available. Yet famine sufferers were still receiving far less than the full value of foreign donations.*

Many Chinese in famine areas have sought to help themselves by moving into neighbouring districts. In March 1943 it was estimated that approximately 600,000 peasants had crossed the Honan border into the southern part of Shensi Province, where the Chinese Industrial Cooperatives extended as much aid as possible. Some refugees who made their way to the Communist-controlled Shensi-Kansu-Ninghsia Border Region in the North-west received from the Border Government money for their initial expenses, as well as land which was to be rent- and tax-free for two years. To the famine-stricken guerrilla regions of Honan, behind the Japanese lines, relief was sent by the China Defence League under the leadership of Mme Sun Yat-sen, widow of China's greatest nationalist leader.

* In December 1944 the Clearing Board's rate averaged 228.05 Chinese dollars to one American dollar.

In view of their plight it is not surprising that early in 1943 the people of Honan were reported to be showing marked apathy toward the Chungking Government and its representatives. The ruthless requisitioning of food by the Army in 1942 apparently had not been forgotten. Moreover, in the new year there were no signs that official policy had become less exacting. Weather conditions for the first crop of 1943, mainly wheat, were favourable, but harvesting was impeded by the death or flight of many peasants. In some places the crop had to be eaten before it was ripe, for lack of other food. Nowhere was the yield more than one-half of normal, but one-third of the grain was nevertheless taken in taxes and requisitions. As in 1942, remission of remaining taxes was granted only after large amounts had been collected. Later in the year the second crop, mainly barley and beans, was affected adversely by lack of farm animals, seeds, and labour, as well as by drought and locust plagues. Indeed, travelers reported that locusts covered the fields for hundreds of square miles.

The fruits of Chungking's policies were finally reaped in April and May 1944, when the Japanese launched a major drive in Honan province. As the Chinese forces were driven back, the local peasants turned against their own soldiers, first disarming them individually, then in groups. The peasants raised the slogan, "Better the soldiers of Japan than the soldiers of Tang En-po [the commanding Chinese general in the area]."

In other areas affected by economic difficulties sporadic peasant outbreaks had occurred some time before. For instance, uprisings took place in Kansu province in the Northwest, in the western part of Szechwan, and in Kweichow in South China. Unfortunately, there seem to have been no newspaper reports on any of these developments except for the following United Press dispatch of April 8, 1943 about the Kweichow situation: [4]

[4] *New York Times*, April 9, 1943.

"A Chinese military spokesman reported today that Chinese troops had been sent to the Kweichow-Hunan border to quell a minor uprising and that the campaign to suppress the disturbances was progressing favorably. He did not disclose the nature of the uprising."

But private observers of Chinese conditions linked the various disturbances with hard conditions among the peasants. Heavy grain taxes on small proprietors and the requisitioning of forced labour for road work and other projects were said to have played a part. There was no evidence of outside inspiration of any of these outbreaks, except that puppet agents of the Japanese appear to have been involved in Kweichow.

These conditions suggest that, while China during the war years has had a stronger government than at any time since the overthrow of the Empire in 1911, the stability of the régime is far from assured. Chungking understands the situation well. Not having come to grips with the problems of inflation and livelihood, it long ago adopted the only other course open to it — to bear down on individuals and groups that might express discontent or become leaders of the discontented. This is not primarily a reference to the Communists, although they enter into the picture, but rather to liberal intellectuals in Chungking-controlled territory.

Unquestionably, the intellectuals have suffered most from the political repression accompanying China's economic difficulties. The fact that any open disagreement with policy might cause the loss of their livelihood places both teachers and students under the thumb of the government. This is especially true because the Ministry of Education in Chungking has long been dominated by a vigorously anti-democratic point of view. Moreover, there exist in China several secret police organizations that are interested in supervising economic activities. One such body serves the Commodity Bureau, which is in charge of the salt, match, tobacco, and other monopolies. A second group is especially active in the field of relief work and education. In effect, elements hostile to con-

structive war-time criticism have gained control of organizations that are ostensibly concerned with combating inflation. Many of these elements are themselves linked with hoarders and speculators.

These are some of the reasons why Pearl S. Buck was moved a while ago to write the following warning about conditions in China: [5]

"The great liberal forces of the recent past in China are growing silent. The center of liberalism in China for the past two generations has been in the students and teachers. Nowhere in the world have the young and intelligent played so heroic a part as in China. Their courage, their self-sacrifice, even to the lives of thousands who dared to oppose the officials, have provided the strongest correctives to bureaucracy and official corruption. Now those students are ceasing to speak. As China becomes more isolated the power of the bureaucrats is growing. Oppressive elements in the government are becoming more oppressive. Chungking is a place where free speech is less and less possible and those who want to be free are going to other places."

Nor is this all. Apart from the political pressure that may be put on them, China's intellectuals are subject to the demoralizing effects of inflation itself. In recent years students and teachers have undoubtedly done quite a bit of heart-searching, asking themselves why they should follow the hard path of learning when handsome profits can be made in other fields. It is not to be wondered at that students discreetly turn to money and banking as their fields of study and then pass over the border line between economic theory and the practice of speculation. Nor is it surprising to read the following report from China: [6]

"One professor whom I know deals in secondhand goods. Another helps his wife to run a restaurant. Another sells typewriter ribbons and razor blades. The more adventurous speculate in cotton yarns, dyes, and other articles of value."

[5] Pearl S. Buck, "A Warning about China," *Life* (New York), May 10, 1943, p. 54.

[6] Lo Ch'uan-fang and Ruth Earnshaw Lo, "Education in the Chinese Hills," *Atlantic Monthly* (Boston), January 1944, p. 93.

A similar situation will be found among government employés, who are forbidden to engage in trade, but frequently enter business with their wives as the legal proprietors, or make investments in enterprises belonging to someone else.

One cannot condemn the white collar people who use an honest side occupation to add to an inadequate salary. Even those who speculate are led to it by necessity and the example of merchants and landlords. But the total effect is to break down the morale of some intellectuals, impairing their usefulness as disseminators of liberal, democratic views in China. This is a fact of prime importance in Free China that should be understood in the United States. During the war years Chinese acquainted with the ideas of democracy have lost considerably in standing. At few times in the past quarter of a century have China's intellectuals had so weak a voice in their country's affairs.

VII

GUERRILLAS UNDER BLOCKADE

"I don't mind saying that what they are doing there impressed me very much. I am a banker and I'm interested in economic facts, not theories."

GUY MARTEL HALL, former Manager of the Peiping branch of the National City Bank of New York, in an interview on his experiences in guerrilla territory.[1]

WE HAVE ALREADY SEEN the enormous difficulties faced by Chungking because of the Japanese blockade. But up in the North and North-west, as well as in parts of Central China, other Chinese territories, also beyond the enemy's grasp, suffer from a double blockade: that of Japan and of Chungking itself. These territories are the guerrilla bases and war areas in which two famous mobile forces, the Eighteenth Group and New Fourth Armies, under the leadership of the Chinese Communists, have operated against the Japanese invaders for many years.

The complicated, often disheartening story of relations between the Communists and the Central Government has been told in other chapters. Here it will suffice to point out once more that after a decade of civil war, the two groups achieved a common unity in the summer of 1937 for the sake of national resistance to Japan. Co-operation was reasonably satisfactory for more than a year, but serious friction developed after the fall of Hankow in October 1938. With its main centres in the hands of the enemy, China now entered the period of the "long pull" — the attrition stage of the war. Alarmed by the political and economic implications of guer-

1 *China Defence League Reports* (mimeographed), No. 9, February 22, 1943 (New York, issued by China Aid Council of United China Relief).

rilla rule in large areas behind the Japanese lines, important elements in Chungking sought ways to suppress the Communist forces, the most notable of these efforts being the attack on the New Fourth Army in January 1941. During the early period of the war, some supplies and money for the guerrillas had been forthcoming from the Central Government, but in 1939–40 this aid ceased. Chungking instituted a blockade to prevent persons, goods, and mail from reaching or leaving the North-west. This in turn has affected the guerrilla zones behind the Japanese lines, since the North-west is their headquarters area.

The Central blockade was superimposed on a Japanese blockade of guerrilla China. The enemy siege, maintained since the beginning of the war, has become increasingly severe in recent years. Moreover, the military cordon established by Japanese troops is supplemented by strict rationing and trade control in occupied Chinese cities. For instance, every pharmacy in Japanese-held Peiping is rigidly controlled, and stocks are carefully checked to prevent leakage of medical supplies to Chinese forces in the interior. The Japanese have also dug deep blockade ditches, cutting off the guerrilla base areas closest to Peiping from the North China plain. Consequently, whenever large amounts of supplies have to be carried in or out of these guerrilla districts parts of the ditches must first be destroyed.

Yet the Central Government's blockade is said to be even more stringent than the Japanese. Guy Martel Hall — an American observer, already quoted at the beginning of this chapter — exclaims: "It is terrible to think that it is easier, in spite of all difficulties, to get drugs in from Japanese-occupied territories than from 'Free China.' " [2] The reason is simple: Central forces under General Hu Tsung-nan have carefully ringed in the Shensi-Kansu-Ninghsia Border Region — the main base and headquarters area of the guerrilla armies. It is true that a small carefully controlled trade is permitted

[2] *Ibid.*

to go on between Yenan, capital of the Border Region, and the Central Government town of Ichwan in Shensi, with the latter securing salt, kerosene, and candles from the Communist area in exchange for cotton cloth. But this exception simply underlines the existence of the blockade.

The strictness of the Central blockade can be seen from the odd and irregular ways in which supplies reach the Border Region. For example, an American doctor working there remarked in a letter written during the latter part of 1941 that a recent traveller had brought in on his person two dozen pairs of rubber gloves, a pound of ether, and a tube of ethyl-chloride. In 1939–40 a shipment of medical supplies donated by American and British sources specifically for the Border Region hospitals was held up *en route* and finally confiscated by Central commanders in Sian, the last important city on the way to the Shensi-Kansu-Ninghsia area. In 1943 one lot of American-contributed medical supplies did get through to the North-west, but only under unusual circumstances, involving strong foreign pressure. Again in 1944 a few lots of medicines reached Yenan.[3] In recent years funds received by the North-west from Central quarters have been limited to small sums for an orphanage supported by the National Association for Refugee Children headed by Mme Chiang Kai shek, and a contribution of Ch.$50,000 made in 1942 by the Central Government's personal representative in Yenan after flood waters had inundated the valley in which the city is located.

In view of the North-west's unusual isolation, it is natural

[3] The *New York Herald Tribune* of February 2, 1945 reported that the China Wing of the Air Transport Command had flown almost ten tons of American Red Cross materials to Yenan for use by the Bethune Memorial International Peace Hospital. Sulfa drugs, microscopes, X-ray equipment, surgical instruments, and other medical supplies were included. Since this was more medical aid than the North-west had received during all the previous years of the war combined, the medical blockade seemed to have been broken for the time being as far as civilians were concerned. But the blockade on ordinary trade as well as on news from the North-west continued, and it was not clear whether the United States would be able to send medicines freely to the guerrilla armies.

to ask whether this region has felt inflation to the same degree as Chungking-controlled territory. For a long time prices in the North-west were considerably below those in Chungking, although much higher than those prevailing in some of the guerrilla bases proper, such as the Shansi-Chahar-Hopei area. Recently, however, Yenan prices have risen rapidly, so that they are now above prices in Chungking. This situation reflects a variety of conditions: the stringent Central blockade; the original economic backwardness of the Border Region, as well as its poverty in natural resources; and the Central Government's discontinuance of pay for the Eighteenth Group and New Fourth Armies, necessitating the issuance of a special Border Region currency. Moreover, apart from the conditions mentioned, the existence of inflation in the territory of the Chungking Government has inevitably helped to induce inflation in the North-west.

But the significant question to ask is what effect this has had on the livelihood of the people. For, as Professor John Lossing Buck has pointed out, the problem faced by any government in dealing with inflation is "to keep the inequalities from becoming too great a burden on any particular class." [4] All the evidence at hand indicates that while prices in the North-west are rising, living standards have also gone up as a result of increased production, effective distribution of commodities, and rent and interest reforms. It is also clear that the North-west and guerrilla China follow effective taxation policies and, unlike Chungking, are not plagued by hoarding and profiteering.

The economic program of the Shensi-Kansu-Ninghsia Border Region clearly tends to produce a significant degree of immunity to the deteriorating influences of a protracted war. Anyone who wishes to understand the situation in China today must examine this policy to see whether some of its principles and practices might not profitably be adopted by Chungking in the fight against the effects of inflation.

[4] *Shanghai Evening Post and Mercury*, November 17, 1944.

VIII

THE NEW COUNTRYSIDE

"The war of resistance is really a peasants' war. . . . Everything we use in resistance, everything we live on, is really given us by the peasants."

MAO TSE-TUNG, Chairman of the Chinese Communist Party.[1]

ACTIVE PARTICIPATION by the average Chinese in shaping, or at least in aiding, the economic war effort is the basis of guerrilla economic strategy. The ordinary peasant, no longer merely the object of decisions handed down from above, has been given a tangible personal stake in victory. This is also true of the rural workers. Even landlords and merchants are in no sense excluded from the economic community, although their former unquestioned supremacy is at an end. The objectives of policy are simple: to strengthen as far as possible the morale of all groups, particularly the mass of the people; to weld the entire community into an effective home front supporting the armed forces to the limit; and to prevent the Japanese invaders from successfully exploiting the areas they have penetrated.

The economic program of the Eighth Route and New Fourth Armies has been stated in simple fashion by Mao Tse-tung, leader of the Chinese Communists. In a speech delivered in November 1942, he said: [2]

"Regarding agrarian problems, on the one hand we advocate a policy of reducing rents and interest so that the peasants can have clothing and food; on the other hand, we also recognize the pay-

[1] Mao Tse-Tung, *A Discussion of the New Democracy* [*Hsin Min Chu Chu I Lun*], (Shih Nien Shu Chü, 1940, no place), p. 33.

[2] *Amerasia* (New York), January 1943, pp. 462–3.

ment of rent and interest as obligatory so that the landlords can also have clothing and food.

"Regarding the relations between labor and capital, on the one hand we aid the workers, but on the other we carry out a policy of industrial development which provides the capitalists with profit. These measures are intended to unite people of all classes so that they may unite their forces to resist Japanese aggression and to reconstruct the nation."

Details of the operation of this policy are seen in measures adopted by the New Fourth Army in 1941. Rents were not to exceed 30–40 per cent of the crop, interest rates were limited to 15–20 per cent annually, and the maximum working day was set at ten hours. After these laws had been promulgated jointly by the guerrilla government and the local People's Political Councils [3] a propaganda campaign was launched. The necessity of the laws was explained to the landlords at the same time that the tenants were told why the reduction in rents could not be greater, why rents must be paid, and why landlord property must not be disturbed.

Speaking on the results expected from the new laws, Liu Sao-chi, Political Commissioner of the New Fourth Army, declared in June 1941: [4]

"The income of peasants and workers will increase a little, their living improve a little. . . . Also their interest in production will be raised. With the increase in production and the peasants' income the majority will be able to buy more fertilizer and work more efficiently on the land. . . . Peasants will also buy more clothing and manufactured goods, and children of peasants will also be able to attend primary schools. Thus the spinning industry, the tailors, the primary school teachers, all of them can have more work. . . .

"True, the income of the landlords will be a little decreased for

[3] These are official advisory bodies, containing representatives of political parties, popular organizations, landlords, merchant guilds, religious groups, etc. They are modelled on the national People's Political Council in Chungking. More recently, in the more stabilized New Fourth Army areas, the local People's Political Councils have been elected and have become genuine organs of government.

[4] From an unpublished manuscript on the New Fourth Army, made available to the author by the Institute of Pacific Relations, New York.

the time being, and possibly their living standards will also be lowered. But this cannot be helped for the moment. Possibly also due to this reduction the anti-Japanese democratic movement will be viewed by them with dissatisfaction. But sooner or later rural production will increase, and the rent then received by the landlords may amount to even more than before the reduction. . . .

"At the same time we emphasize that we do not approve of rent reduction exceeding 25 per cent of the former rent. We also do not approve of rent reduction that would affect land ownership by the landlords or bring about land revolution. Further we do not approve of demands for wage increases or decreases in working hours that would make impossible the management of factories or stores. We must ensure that factories and stores can earn profit, since without profit they would not be able to maintain their existence and serve the development of industry and commerce. . . . Workers, peasants, landlords and capitalists should all consider the victory of the war of resistance, the independence and freedom of our nation, as their premise."

Obviously, the program of the Chinese Communists in recent years has not been a program of Communism — a fact which has been noted by every foreign observer who has visited the guerrilla bases or the Shensi-Kansu-Ninghsia Border Region. Moreover, it is not a program that is being carried out by the Communists alone, for there is close co-operation between Communists and non-Communists in these areas. From an American point of view, the reforms advocated by the Eighteenth Group and New Fourth Armies are rather moderate and long overdue in China. Some of the changes simply involve the enforcement of laws that have been on the statute books for many years, but have rarely, if ever, been put into practice.

Yet the deep significance of such changes for China's traditional, landlord-dominated society should not be overlooked. The transformation of the Chinese countryside through the elevation of the Chinese peasant spells the doom of an outmoded agricultural society. Such a transformation has been fought unceasingly by elements in China who are mortally afraid that a day will come when the ordinary Chinese peas-

ant and labourer will have a real voice in their country's affairs; but Westerners who have visited guerrilla China do not show the same concern. On the contrary, they have been deeply impressed by the rise of labour and peasant organizations in the North-west and in the areas behind the Japanese lines.

On this point the views of Michael Lindsay on conditions in the Shansi-Chahar-Hopei guerrilla region near Peiping are worth quoting. He writes: [5]

"The mass movement organizations are the means by which the government carries out its work of popular organization and political education. There are 5 civil organizations: farmers, workers, youth, women, and children; and two military: the self-defense corps and the militia. The total number in these organizations is very large. According to figures published in July 1942 there were over 10½ million in the civil organizations and 8 million in the military organizations. (The two figures overlap as a man who was in the self-defense corps or militia would also be in the farmers' or workers' union.)

". . . the [mass] associations have been largely responsible for the excellent popular morale and the rapid social progress which has been made."

In discussing economic policy a distinction must be made between the Shensi-Kansu-Ninghsia Border Region, which was in existence before the present war, and the guerrilla areas proper, established at various times since the beginning of national resistance in 1937. This is not because there are any striking differences between their programs at the present time — on the contrary, economic principles and practices are fairly uniform — but because the Border Region during the period of civil conflict immediately preceding the war with Japan was the territory of the old Chinese Soviet Republic, the main base of the Chinese Communists. A policy of expropriating the land of the wealthy was followed here at first, but was later abandoned as the Communists and the Central

[5] Michael Lindsay, "The North China Front, Part II," *Amerasia,* April 14, 1944, p. 119. This material has also been published in abbreviated form as "The North China Front, II — Organization Behind the Lines," *The Times,* (London), November 11, 1943.

Government moved toward a settlement of their differences. Yet it appears that, as a result of the earlier confiscation, peasant ownership of land is more widespread in this area than in the guerrilla regions, where expropriation has never been practised. The point is important because it indicates that in guerrilla China there has been a scrupulous avoidance of anything that could properly be called land revolution or dispossession of the wealthy.

The main economic problem in the Shensi-Kansu-Ninghsia region since 1937 has been to increase the production of food and goods. Historically this area has been one of the most poverty-stricken in China. Yet there appears to have been a marked improvement in conditions during the war. Border Region leaders assert that the area has not only become self-sufficient in food production, but actually has a surplus, as a result of a careful policy of land reclamation, labour co-operation, and the increasing employment of draught animals. Each year has seen an increase in crops, and the people are said to have more meat and vegetables than before.

It appears probable that Chungking thought the blockade would crush the North-west. 1940 and 1941 were, in fact, hard years for the area, but the transition to basic self-sufficiency was made, and journalists visiting Yenan in 1944 found higher living standards in terms of food, clothing, etc., than in Central areas. Brooks Atkinson, for example, wrote that "the people look better fed, huskier and more energetic than in other parts of China." [6] The Yenan area, he said, had a 100 per cent food surplus for the year, and the Border Region was mostly self-sufficient, although it had to import cotton cloth, iron, office paper, and medicines. Similarly, Maurice Votaw, correspondent for the *Baltimore Sun,* and an adviser to the Chinese Ministry of Information, found that the people's livelihood had improved, largely as a result of a better diet and increased weaving of cloth.[7]

[6] *New York Times,* September 25, 1944. See also: *ibid.,* October 6, 1944.
[7] *Shanghai Evening Post and Mercury* (New York), November 3, 1944.

Harrison Forman summarized the situation when he wrote: [8]

"Forced by circumstances to become wholly self-reliant . . . this border region encourages any and every industry, small or large, even subsidizing some which admittedly would be unprofitable if the products they yield could be imported."

According to Forman, the Border Region in 1943 opened up a million *mou* of land (one *mou* equals one-sixth of an acre), and in 1944 it was expected that another million would be reclaimed. This, of course, helps to explain the growing food supply. He also visited Mitze, a town of 10,000 about 200 miles north-east of Yenan and reported: [9]

"I saw no patched garments, no underfed bodies and no beggars. Even the children — there were scores trailing the rarely-seen foreigners as though we were Pied Pipers — wore shoes, almost without exception, which is a sure sign of prosperity anywhere in China."

To increase the output of goods has been extremely difficult because the North-west before the war was completely lacking in modern industrial development and has not in the course of resistance received equipment from other areas. The greatest deficiency has been in clothing materials, for until recently cotton had never been grown in the Border Region. But cotton planting has been undertaken, and by the end of 1942 there was said to be enough cotton to meet half the needs of the population. A Dutch engineer, C. Brondgeest, made this general observation after passing through the North-west in 1942: [10] "They weave cloth everywhere, and you see as much there as in Chungking. A very good material is made out of local wool."

Production has inevitably been hampered by enemy action, for even though the Border Region has always lain outside Japanese-invaded territory it has suffered greatly from destruc-

[8] *New York Herald Tribune*, June 23, 1944. See also: *ibid.*, August 6, 1944.
[9] *Ibid.*, September 27, 1944.
[10] *Far Eastern Survey* (New York), April 19, 1943, p. 79.

tion caused by Japanese planes. The city of Yenan is now empty, and 40,000 people live outside in caves dug in the hillsides. Within Yenan itself there is hardly a house or even a wall standing. Still more widespread devastation has been visited on the guerrilla areas in North and Central China, for the Japanese have tried to depopulate these territories by burning houses, removing or destroying crops, and sometimes driving away the peasants. It was estimated in 1942 that in the district west of Peiping two-thirds of the houses had been destroyed. And there were large areas in which every village had been burnt to the ground, and the peasants lived in the mountains in small huts.

Despite these difficulties economic development continues. In fact, Lindsay reported that the Shansi-Chahar-Hopei guerrilla area was practically self-sufficient in the production of ordinary paper, and turned out good soap, as well as agricultural implements, and products for tanning and dyeing. A small blast furnace provided iron for military purposes, and there was small-scale production of sulphuric acid and explosives. Early in 1942 the cracking of vegetable oil was begun, because of the impossibly high price of imported oil. Much of this expansion was linked with the existence of co-operatives, estimated to number over 9,000 in Hopei province, east and west of the Peiping-Hankow railway.

The operation of the tax system also helps to curb tendencies toward inflation, especially since the Shansi-Chahar-Hopei guerrilla government is able to collect taxes even in some districts in which it does not have complete military control. Changes in the system of tax-collection have taken place as a result of growing guerrilla experience. Before 1941 taxes were usually assessed by village committees on the basis of ability to pay. But in that year more specific regulations were introduced, establishing a graduated income and property tax ranging from 7 per cent of income for the lowest tax-paying group to 65 per cent for the highest. This was a trial rate plan, since the figures for income distribution were not known. In 1942

the rates on high incomes were cut, and the tax base was broadened by including some citizens on levels previously exempt. According to Lindsay, one fairly rich landlord declared that he was paying less than under the former system.

The only other taxes in the Shansi-Chahar-Hopei guerrilla area are import and export duties (imposed for the purpose of controlling trade rather than bringing in revenue) and a negligible registration charge on land transfers. Taxes are paid mostly in grain, which is then stored locally for use by the armed forces.

Clearly, this is an equitable tax system under which the poorest persons do not pay, those who can afford to pay are taxed on a graduated scale, and the rich are neither fleeced of their wealth nor permitted to retain large quantities of grain for hoarding and speculation. The general policy in 1942 was not to have guerrilla taxes exceed one-eighteenth of the levies imposed by the Japanese in near-by areas under their control. It should be added that the guerrilla population makes large additional contributions to the maintenance of the army, but these payments are on a voluntary basis.

The effectiveness of guerrilla policies has undoubtedly been increased by the brutality of the Japanese Army in occupied territory, especially in captured guerrilla villages. The efforts of the invaders to squeeze as much as they can from the Chinese population inevitably prevent them from winning civilian support. This applies not only to the poor peasants, but also to the more well-to-do villagers. The effect of the guerrilla economic program (in conjunction with political and military policies already discussed) has been to deprive the enemy of control over large parts of invaded China. Measures have also been taken to prevent Japan from securing products of war-time value that it might desire from the guerrilla regions.

From the very first the guerrillas in Hopei province followed a policy of planting food grains instead of cotton, and, as a result, the Japanese, contrary to their expectations, have

secured little cotton. Trade with occupied areas is carefully regulated by the guerrillas. In Shansi-Chahar-Hopei there are three classes of imports and exports: (1) imports of luxuries and exports of articles that would be of military value to Japan; (2) imports of semi-luxuries and exports of articles that would be of some value to Japan, but are needed for the balance of trade; and (3) all other articles. Trade in the first category is prohibited, there is a fairly high tax on articles in the second, and the third category is duty-free.

It should not be imagined that the guerrilla areas are Utopian regions in which difficulties hardly exist, and no mistakes are made. On the contrary, conditions are hard in these districts, and shortcomings certainly are present. (For example, a report from the Shensi-Kansu-Ninghsia area in 1942 indicated that, while most of the tax-collectors were conscientious and hard-working, some had displayed an unsatisfactory attitude toward the taxpayers.) But it is characteristic of the North-western and guerrilla area governments that they vigorously seek out difficulties and attempt to remove them. They have made — if one can believe the testimony of a score of foreign observers — an unceasing effort to come to grips with the social conditions that have kept China weak and that must be overcome if China is to throw maximum strength into the ultimate counter-offensive against Japan. Their policies are a heartening example of successful adjustment to the conditions imposed by Chinese economic backwardness and Japanese invasion. This is why speculation, hoarding, and many of the other ills that plague Chungking-controlled territory have been kept to a minimum or entirely prevented. It also explains why, according to Lindsay, there has been an "almost complete elimination of corruption in the government." [11]

It is not suggested that the guerrilla model is one that Chungking could be expected to follow in every respect; but it is clear that Chungking would benefit greatly by taking a leaf out of the guerrilla book and giving the people a voice

[11] "The North China Front, Part II," *Amerasia,* April 14, 1944, p. 124.

in the realization of more equitable economic measures. Moreover, although differences of opinion within China are understandable, the guerrilla economic program deserves at the very least to be recognized as a legitimate part of the Chinese scene, for it has proved its worth in the war against Japan. There is every reason why the Central blockade should be lifted and a new economic unity established to include the whole of fighting China. The present economic division between Chungking territory and the Eighteenth Group and New Fourth Army areas is of aid only to the Japanese.

I

A NEW POWER

"Among the four Great Powers, China's position is really very delicate. Practically speaking the attitude of China has a great deal to do with the question of whether the unity of these Four Powers can be successfully and smoothly achieved, both during and after the war. We must be aware of the importance and greatness of our responsibility and make good use of our efforts."

Statement by the Federation of Chinese Democratic Parties, Chungking, May 1944.[1]

THE RISE OF CHINA to a position of international prestige is one instance of the great shifts of power that have been accelerated by the second World War. No matter how bloody the process, or how uncertain the duration, it is clear that this nation of 450,000,000 people in Eastern Asia is slowly throwing off the bonds of a semi-colonial status and moving toward full nationhood. None of the weaknesses of China's war effort should be allowed to obscure this long-term trend. For the trend is obvious, if one recalls where China stood internationally only a few years ago.

Before China's war with Japan — and after — the United States, Britain, Japan, France, and many other countries enjoyed extraterritorial rights, i.e. their citizens and corporations in China were under the jurisdiction of special foreign courts, not those of the Chinese administration. The only important governments which did not have these privileges were the defeated Central Powers of World War I, including Germany, and the U.S.S.R. (which voluntarily relinquished extraterritoriality in the early twenties). Under the extraterritorial system there were special areas of foreign residence and control in a number of China's leading cities. One such area was

1 *Pacific Affairs* (New York), September 1944, p. 333.

the famous International Settlement at Shanghai. The general effect of extraterritoriality and of various other foreign privileges imposed under what were known as the "unequal treaties" was to limit China's independence of action within its own borders and to hamper its economic, political, and military growth.

Today China's voice in its own affairs is more limited than ever, for Japanese aggression has driven the Central Government from the most highly developed sections of the country. This loss of sovereignty goes far beyond the difficulties once created by extraterritoriality. But more significant in the long run than Japan's current control of Chinese territory is the new recognition of China's international status by its allies. For on October 9, 1942 Britain and the United States renounced all extraterritorial rights, and on January 11, 1943 implemented these declarations by concluding separate treaties with China. The immediate changes were negligible, since Japan held most of the areas in which extraterritoriality had operated; but the implications for the future were enormous. The significance of the step was underlined in December 1943 when President Roosevelt signed a bill repealing the Chinese Exclusion Act. This was an important victory for the idea of Chinese equality among the peoples of the world.

China's new position was also recognized in the councils of the United Nations. For example, in October 1943 China joined with Britain, the U.S.S.R., and the United States in signing a declaration at Moscow, recognizing the necessity of setting up a general international security organization as soon as practicable. In November 1943 Chiang Kai-shek met on a basis of formal equality with Roosevelt and Churchill at Cairo, and in September–October 1944 a Chinese delegation discussed plans for a new League of Nations with British and American representatives at Dumbarton Oaks. Most important for China in its immediate implications was the Cairo conference at which it was agreed that "all the territories Japan has stolen from the Chinese, such as Manchuria, For-

mosa, and the Pescadores, shall be restored to the Republic of China." [2]

China's inclusion among the Big Four is based on its long resistance and ability to survive despite all the blows directed against it. Yet it is obvious that China's actual military power is far inferior to that of the United States, the U.S.S.R., and Britain, and in the immediate post-war period will be below that of France and a number of other countries. There is, in short, a striking discrepancy between China's real strength and its rank in world affairs. Strong American diplomatic support has made good the difference. Such a policy, of course, entails risks as well as advantages. The motives of the United States will be discussed in a later chapter, but here it can be said that the chief immediate advantages to the world at large lie in the stimulus given to Chinese morale and in the strengthening of the general character of the war against the Axis as a war of liberation.

The risk involved in according China a higher rank than its present strength warrants, is that Chungking may be unable to fulfill its obligations as a member of the Big Four or Big Five. China is receiving a vote equal to, or not far below, that of the United States, Britain, and Russia in various international bodies currently being formed. But unless China's strength increases rapidly in the post-war period, its presence among the top powers may impede the operation of the new international machinery. For other nations that were, in fact, on the same power level as China — or a higher one — might soon demand for themselves the same voice as the Chinese. Moreover, if a weak Chinese government proved extraordinarily dependent on the United States, this country might, in effect, have two votes in the decisions of the Big Four or Big Five. This would raise the possibility of a demand by other governments that the machinery be overhauled. Or if alterations proved impracticable, the machinery might be bypassed

[2] The Department of State, *Bulletin* (Washington, D. C.), December 4, 1943, p. 393.

and discredited. It is true that a basic tendency of the leading powers to work in harmony is more important than the mechanism of their co-operation. But bad organization — for example, organization divorced from reality — can put a serious strain on co-operation.

When matters are looked at in this light, it becomes clear that recent recognition of China's position in world affairs imposes a very great responsibility on the Chinese people and their government. When, for example, Roosevelt and Churchill agreed at Cairo that China was to get back Manchuria, Formosa, and other territories lost to Japan, the two leaders, in effect, placed on China's shoulders the main burden of actually reincorporating these areas. For while other powers can promise not to interfere with China's progressive development and can help China to face the issues before it, only the Chinese themselves can really deal with their problems effectively. To put the matter concretely, one need only ask of what value the Anglo-American pledge concerning Formosa or Manchuria would be, if Chungking — as a result of divisive internal policies — proved unable to establish a stable authority in those areas.

China's responsibility for its own destiny constitutes one reason why war-time deterioration in strength contains tragic implications for the future. Utter exhaustion and disintegration in the course of resistance would prevent China from reaping the fruits of victory. Progressive Chinese have been emphasizing that their country cannot relax its efforts, whatever the cause, without paying for its weakness when peace comes. At present there seems to be little prospect that China will recover on a large scale before the end of the war, but anything that serves to halt the present deterioration and to improve conditions will bring dividends in terms of China's post-war power.

Unquestionably it is also in the fundamental interest of the Big Three that China should grow in strength. Yet at times doubts have been expressed about China's future attitude to-

ward other nations. Missionaries, American officials, and the Chinese themselves have reported a sharp development of anti-foreignism during the past few years. A Chinese professor, a member of the People's Political Council, wrote not long ago that "the new Chinese nation may behave chauvinistically. Perhaps the attitude of the resurrected Poland after the First World War is an instance of what is to be expected from China." [3] Naturally, developments along these lines disturb China's Allies.

It is perfectly understandable that Chinese nationalism should increase as a result of the war, and it is also obvious that many factors, historical and current, tend to promote the less desirable aspects of nationalism. For decades on end the Chinese have chafed at their lack of complete independence and have been embittered by the efforts of foreign powers to retain special rights. Time after time they have felt the impact of foreign aggression on a major or minor scale. When, in the mid-twenties, they sought to establish a strong, independent Central Government, every power except the U.S.S.R. was hostile to their efforts. In the '30's, when Japan launched its attacks on a large scale, China received nothing but fair words from the League of Nations or the great powers. And when resistance began in 1937, countries like the United States and Britain sold to Japan war supplies and materials that were used against China.

After Pearl Harbor China at last had allies, but this proved the most cruel disappointment of all. The Chinese had always imagined that the entrance of the Western powers into the war would mean the early defeat of Japan. Now they found that Japan was winning rapid, far-reaching victories, while their own position grew worse, and the end of the war seemed postponed into the indefinite future. Life was never so hard as in the years of blockade following Pearl Harbor. At the same time, the swift collapse of Western power in the face of Japa-

[3] T. S. Chien, "New China's Demands," *Foreign Affairs* (New York), July 1943, p. 691.

nese attack inevitably delivered a serious blow to the prestige of Great Britain and the United States. There was a strong tendency in Chungking to say: "Look at the way in which the leading nations of the world have been defeated in a short period, while we have succeeded in holding out against Japan for many years." The result was not only pride in China, but often contempt for China's Allies.

As the psychological effects of the Pearl Harbor disaster began to wear off, China found itself deeply discontented over the position allotted to it in the World War as a whole. The main emphasis of the United States and Britain — and the entire emphasis of the Russians, who were not at war with Japan — was on the struggle against Germany. There were good reasons for a "Hitler first" strategy, in view of the closeness of Germany to the main centres of the United Nations, and the decisive rôle of the Nazis in the Axis coalition. But Chungking, finding itself "the last stop on the line," came to consider itself the stepchild of the war.

Some Chinese now pushed the idea that China would ultimately lead Asia, to the exclusion of other powers, and dreamed of taking over the colonies lost by Britain and France to Japan. There developed in China a species of reactionary, isolationist nationalism no less virulent than the American variety. China's isolationists tried to divide their country from its Allies and to create friendliness toward the enemy. In the course of their campaign, defeatists in high places took advantage of every shortcoming, real or fancied, of Allied policy.

This anti-foreignism was reflected in the pages of *China's Destiny*, which blamed most of China's ills on other countries. At the same time it must be noted that Chiang Kai-shek's speeches, as officially translated, have never shown any chauvinism, and have been scrupulously correct in referring to China's Allies. The Generalissimo has also rejected unequivocally the idea of Chinese domination of Asia. And various Chinese leaders, including Chiang, have sometimes made

statements on world affairs that have seemed to be in advance — at least verbally — of the statements of American or British leaders. But the basic fact, more important than words, is that China's chauvinists are caught in the web of an insoluble dilemma. For while they may dream of making China into a new Japan, their military inertia (their attitude that Chungking has done its share of the fighting and should leave the rest to its Allies) would prevent China from developing the strength needed to carry out imperialist designs.

On the other hand, a China which fought as hard as it knew how and did its utmost to improve its own war effort would inevitably be a democratic China and could hardly be anti-foreign. This brings out two fundamental points about China's future foreign relations: (1) only a progressive China can be strong; (2) a progressive China will know how to work with its friends. The danger presented by China's present weakness is not that it will be succeeded by strength for aggression, but that China will continue to be weak and will therefore prove a sore spot in world affairs. The nightmare of China's overrunning the whole of Asia is nothing but a bad dream. Much more serious would be the possibility of China's being part of a balance-of-power struggle among the Big Three, with a resurgent Japan and Germany benefiting from the break-up of United Nations unity.

If China were to be split by civil war, great pressure would develop for the powers, particularly the United States and the Soviet Union, to intervene and back opposing sides. Fortunately, Washington and Moscow give every sign of realizing that such a development would point toward a third World War. They also understand a more immediate fact — that unless the threat of civil war is ended by internal agreement, China will not be able to play a maximum part in the remaining phases of the war with Japan. That the war-time interests of the powers and their post-war harmony both demand the establishment of peaceful, progressive China is a hopeful sign

for the future. It also constitutes a warning to the anti-foreign sections of the Chinese population that a chauvinistic China might have no friends.

Sun Fo, in fact, has declared on several occasions that a reactionary China will find itself isolated. The same warning has been given by the smaller parties. It is also an important fact that Chiang Kai-shek recently has been the subject of sharp popular criticism, not only because of China's internal situation, but because of the difficult state of relations with the country's Allies, especially the Soviet Union. The articulate sections of the Chinese people want a foreign policy which will promote military security, recovery of lost areas, progressive economic and political development, and the rise of China to a high position among the nations of the world. There is no sign that large groups have been won over to anti-foreignism. On the contrary, the popular desire for greater democracy runs counter to the idea of an anti-democratic aggressive foreign policy.

At the same time it is well for Americans to recognize that close, well-conceived co-operation with China, based on a policy of encouraging needed reforms, will tend to reduce anti-foreignism and to strengthen China's democratic tendencies. It also seems reasonable to expect existing anti-foreignism to decline once the Japanese blockade is broken, and foreign aid begins to reach China in substantial quantities.

II

IMPERIAL ALLY

"Great Britain's stock in China has been low since the days of our reverses in Hongkong, Singapore, and Burma, which affected the fortunes of many Chinese and hit a shrewd blow at our prestige. . . . One way or another we have found ourselves in relatively poor repute."

The Times (London), July 7, 1944.

THERE is an element of paradox in the alliance of Britain and China in the war against Japan. For Britain, as the world's leading imperial power, has been an outstanding foe of colonial nationalism. Two decades ago opposition to Britain — then the largest foreign investor in China — was at the very heart of the revolution of 1924–7, giving rise to some of the most turbulent actions of that hectic period.

After 1931, as the Japanese armies drove forward, Tokyo replaced London as a threat in the eyes of the Chinese. But since Downing Street now became a supporter of an appeasement policy toward Japan, Britain was viewed as an accomplice of the actual aggressors in Tokyo. This was particularly true after the launching of resistance in 1937, for British policy in the four and a half years from then until Pearl Harbor was one of almost continuous retreat before an aggressive Japan. To be sure, the British did not retreat alone, but they bore the burden of opprobrium because they were the leaders of appeasement. What Washington seemed to do reluctantly or in error Britain gave the impression of doing intentionally and out of fixed policy. In Britain's actions the Chinese felt they could detect no note of sympathy for themselves.

Yet even before 1937 Britain was forced by the logic of events to give some support to China. In the fall of 1935 Lon-

don helped the Nanking Government to reorganize its currency system, thereby strengthening the Chinese régime against Japan. After the launching of China's resistance, the British, following in the wake of the United States, extended a few small loans that had the effect of bolstering Chungking's war effort. But basically British policy was one of appeasement of Japan, not only after the fall of France, when Britain lost its freedom of action in the Far East, but also in the period before the European conflict, when there was still time to seek an international coalition to curb the aggressors short of a world war.

Then came December 1941, and Hong Kong was attacked as well as Pearl Harbor. London and Chungking became allies under the worst possible circumstances, for the rapid succession of British defeats in the months following the outbreak of the Pacific war knocked the bottom out of British prestige in Asia, at least temporarily. Chinese distrust of London's motives and actions was heightened, and all the hatreds directed against the Britain of appeasement were transferred to Britain the ineffective enemy of Japan. The early part of 1942 saw a veritable orgy of Anglophobia in Chungking. So sharp was the outburst both in official circles and the press that it alarmed Americans in China, even though they were themselves critical of events in Malaya and Burma.

The Chinese had their doubts. They suspected that Churchill did not wish to see the war against Japan develop on a large scale until Britain was in a position to participate fully and take back its colonies. They suspected that Britain was afraid of the political repercussions on India of a really independent China. They feared that London, in order to have a counterweight to Chinese power in Asia, might wish to avoid defeating Japan completely. In brief, they felt that Britain was their ally entirely out of necessity, and would do everything it could to prevent China and other Asiatic countries from rising in status. After the *débâcle* in Malaya and Burma, the Chinese were especially outraged at developments in India.

They did not believe that Britain had any intention of reaching a satisfactory agreement with the Indian nationalists, and were afraid of the effect this might have on India's rôle as a base in the war against Japan. Chiang Kai-shek, it is true, visited India in February 1942, and sought to encourage a settlement, but without success. Chinese suspicions about Britain's objectives were strengthened the following November, when Churchill declared that he had "not become the King's First Minister in order to preside over the liquidation of the British Empire." [1]

In China's suspicions there was a combination of truth and self-justification. The development of British policy reveals clearly that the London Government, and especially the Prime Minister, are too slow to recognize the forces making for the development of independent countries in colonial Asia. Nor is there any reason to doubt that the British have been disturbed at the way in which the United States has helped to push China into the ranks of the Big Four, a position to which London feels China is not entitled in terms of its strength. At the same time, it must be recognized that Chungking, by encouraging criticism of the British in the months after Pearl Harbor, helped to obscure some of its own shortcomings. Anglophobia, like anti-foreignism in general, has been a useful means of shifting responsibility for the government's deficiencies. Naturally, if the Chinese people could be convinced that almost all their troubles arose from the Japanese blockade and the failure of the Western powers to break the blockade, there would be a strong tendency to overlook the effect of internal disunity, inadequate measures against inflation, and unsatisfactory military organization on China's war effort.

The British have slowly taken steps to improve their relations with China. They have relinquished extraterritoriality, dispatched a good will mission to China (Chungking in turn sent one to England), concluded a £50,000,000 loan, and cooperated with China in the development of United Nations

[1] *New York Times*, November 11, 1942.

organizations. But their actions have lagged far behind the needs of the day. For example, the £50,000,000 loan was offered to China in February 1942 at the same time as an American loan of $500,000,000. No strings were attached to the latter, and the Chinese accepted it at once. But the British circumscribed their offer with conditions for its use, with the result that the loan was not actually concluded until the spring of 1944, i.e. more than two years after it was originally proposed. It is perfectly true, as British spokesmen have pointed out, that a straitened financial position prevents London from being as free in the economic field as the United States. Nevertheless, the loan was intended largely to have a political effect at a time of great difficulty for China. The delay in concluding the agreement nullified this effect for the most part, and perhaps did more to prejudice Chinese-British relations than if the credit had never been offered.

The Chinese were greatly aroused over Churchill's speech of March 21, 1943, in which he suggested that the war against Japan would not start in earnest until after the defeat of Germany. With the end of the European conflict, he said, the task would be "to rescue China from her long torment" — a condescending phrase which must have seemed intolerable to Chungking. He also appeared to exclude China from the leading powers of the United Nations, and confined his references to the Big Three. Five days later Foreign Secretary Anthony Eden reassured the Chinese and declared they should have no fear, for Britain would never forget how for years China had resisted aggression single-handed.

On September 28, 1944 Prime Minister Churchill, in a speech to the House of Commons, spoke critically and condescendingly of the military situation in China, where severe setbacks had been suffered despite "lavish American help." It was, he said, "one of the most disappointing vexations." These remarks infuriated the Chungking Government as well as the Chinese press, and a spokesman of the National Military Council subsequently issued a sharp statement, praising the efforts

of the United States to help China, but pointing to the smallness of American aid. What was at stake in the controversy was not the size of American deliveries, but the responsibility for China's reverses in battle. Churchill, while making no specific reference to Chinese internal conditions, implied that Chungking was responsible. The military spokesman, on the other hand, suggested that the blockade and the use of Chinese troops and supplies in the Allied campaign on the Yunnan-Burma front explained the weakness of resistance in eastern China.

Whatever the "vexations" of the moment, in the future the British will need China as a market, and the Chinese — no matter how much they may secure from the United States in the way of loans — are going to find close economic relations with Britain useful. But there are various territorial issues that will require settlement before British-Chinese affairs can be set on an even course. One of these affects Tibet, a quasi-independent country bordering on India and once under Chinese sovereignty. China has never given up its claims to Tibet and may press them more vigorously after the defeat of Japan. More significant will be China's attitude toward colonial areas in South-east Asia containing sizeable Chinese populations and economic interests. In Malaya, for example, the Chinese formed 39 per cent of the total population, and almost three-quarters of the population of Singapore in 1931. Chinese capital in Malaya was estimated in the years before the Pacific war at a conservative $200,000,000 and perhaps a good deal more. Total Chinese capital in the whole of South-east Asia may have been $650,000,000 or higher. The British, of course, are deeply interested in the rôle these Chinese communities will play after the war, for they see in them possible instruments of a revitalized Chinese foreign policy.

But overshadowing these issues is the question of Hong Kong and Kowloon. Hong Kong, a small island off the South China coast not far from Canton, was wrested from China in 1842 after the Manchu Empire had been defeated in battle by

the British. Subsequently Hong Kong was developed into one of the greatest ports in the world as well as an important base for British interests in China. Kowloon, on the Chinese mainland opposite Hong Kong, was secured many years later as a leased territory and administered as part of the island colony. The British have considered the two areas a unit, and the surrender of extraterritorial rights in 1942–3 did not involve the return of Kowloon to China.

The future of Hong Kong and Kowloon is a matter about which the Chinese feel deeply, for both are overwhelmingly Chinese in population and are regarded as symbols of the semi-colonial status that Chinese nationalists have long worked to abolish. From the British point of view, however, Hong Kong is a source of profit, a military base, a shipping centre, and an advanced foothold in the Far East, not lightly to be relinquished. The British also argue that Hong Kong's economic development is largely the result of their ownership of the island.

The Chinese attitude was expressed delicately, but unmistakably, by Chiang Kai-shek in *China's Destiny* when he said: [2]

> "Our countrymen should know that Kowloon and Hong Kong are geographically interdependent and must be settled at the same time. . . . We believe that the British Government will not hinder the eternally friendly relations between Britain and China on account of this tiny piece of ground."

Hong Kong is not crucial for either China or Britain, but may deeply affect the course of their future relations. It would be a tragedy if the influence should continue to be a bad one, for over the long haul Hong Kong and Kowloon seem certain to revert to China. This is especially true because Hong Kong's entire livelihood normally depends on its links with the Chinese hinterland. If the British prove obstinate on the retrocession of the colony, the time may come when the Chinese will seek to choke Hong Kong to death by channelling the im-

[2] Chiang Kai-shek, *Chung Kuo Chih Ming Yün* (Chungking, Cheng Chung Shu Chü, 1943), p. 121.

port and export trade of South China through Chinese ports. In that event, Britain would have secured China's lasting enmity, China would lose the benefit of close economic relations with Britain, and the unity of the United Nations would suffer a serious blow.

Yet a settlement of the Hong Kong-Kowloon problem need not provide insuperable obstacles. The main features of a solution would seem to be the return of the territory to Chinese sovereignty, with adequate safeguards for British interests. If Britain insists on holding more, or the Chinese on giving less, there will be trouble. But the main responsibility rests on the British, for it seems unlikely that the Chinese would refuse to arrange economic guarantees in return for political control of the area.

It is in a matter such as this that certain shortcomings of Britain's Far Eastern policy are clearly seen. For while the exact terms of the retrocession of Hong Kong cannot be discussed as long as it remains in Japanese hands, and while London may have its doubts as to the ability of the Chinese Government to maintain order there immediately after victory, it is not too early for Britain to indicate its general intention to reach an amicable solution of the problem following Japan's defeat. Unwillingness to alter Hong Kong's status is certain to prove a sterile, costly policy in the long run, even though China may not be in a position to insist on its demands for some time to come. Great Britain has been far too slow in adjusting imperial interests to the growth of Chinese nationalism and national power.

At the same time, whatever the objectionable features of British policy, it can only be harmful for Chungking to tolerate or encourage Anglophobia. China needs Britain and it needs the United Nations. It cannot afford, as far as its own actions are concerned, to create enemies among its Allies or to do anything that will divide its Allies from each other. Wise policy would prompt the discouraging of blanket hostility toward Britain and the turning of China's attention to those

specific matters between itself and London that demand attention or are capable of being handled at the particular moment. It is also worth noting that effective steps to strengthen China internally will have a far greater effect than harsh words in bringing about modifications of British policy. For London is more likely to deal realistically with a strong and united China than idealistically with a weak and divided one.

III

NORTHERN FRONTIER

"It is my task to declare on behalf of the people of the Union of Soviet Socialist Republics their sincere friendship for China and their sympathy in the heroic struggle for national independence of the Chinese people. The people of the Soviet Union trust that China's struggle will bring victory."

Statement of SOVIET AMBASSADOR PANIUSHKIN on presenting his credentials to Lin Sen, Chairman of the Chinese Government, September 2, 1939.[1]

WITH NO FOREIGN COUNTRY have China's relations in recent decades undergone such extreme changes as with Russia. The Tsarist régime attempted in the nineties and early years of the current century to seize Manchuria and, after being defeated by Japan in 1904–5, retained a sphere of influence in the northern part of that area. At the same time the Russians extended their influence in Outer Mongolia. China clearly had no reason to trust them. But the Soviet Government within a few years of its establishment renounced all special rights in China and expressed willingness to work with the Chinese on a basis of full equality.

So rapidly did the pendulum of relations swing that in 1923 and 1924 Sun Yat-sen reached a complete working accord with the Russians. The Kuomintang was reorganized along lines suggested by Soviet advisers, close co-operation was established between Sun's followers and the Chinese Communist party, and the Kuomintang's internal and foreign policies took on a left-wing tendency. No foreign government has ever had as

1 Lawrence K. Rosinger, "Soviet Far Eastern Policy," *Pacific Affairs* (New York), September 1940, p. 267.

intimate relations with the Kuomintang as the Soviet Union did during the mid-twenties. But with the break-up of the united front in 1927, the new régime at Nanking made an about face. The Chinese Government broke off relations with Russia and did not resume them until December 1932 — after the Japanese seizure of Manchuria had raised a spectre greater than that of Moscow.

Chinese-Soviet relations were correct rather than cordial in the next few years, but became warmer as Chinese resistance to Japan drew near. In August 1937, after the outbreak of the Chinese-Japanese war, China and the Soviet Union signed a non-aggression pact at Nanking. This constituted a pledge of Russian friendliness toward China's national resistance and went beyond any expression of support by any other power until Pearl Harbor. The Russians followed this up with material help. After the German military mission left China in the summer of 1938, Russian technical experts began to come in, mostly to deal with matters of engineering, communications, transport, and artillery. The Russians were also alone among China's present Allies in sending war equipment to China in the early years of the war. On June 16, 1939 Moscow and Nanking agreed on a 750,000,000-ruble credit under which the U.S.S.R. was to deliver airplanes and other military supplies in exchange for shipments of such Chinese products as tungsten, antimony, and tea. When added to two previous credits, this meant that Russian loans to China exceeded those extended by any other country in the period before the Pacific War.

With the outbreak of the European conflict in September 1939, Soviet relations with Britain, France, and the United States underwent far-reaching changes, but Soviet-Chinese relations remained relatively unaltered. On more than one occasion the Russians seemed to make a point of stressing their friendship for China. On December 21, 1939, for example, Chiang Kai-shek sent Stalin a congratulatory birthday mes-

sage. Subsequently the Generalissimo received the following emphatically cordial reply: [2]

"Head of the Chinese State and China's National Army, Mr. Chiang Kai-shek: I thank you for your congratulations. Wish you complete victory over the enemies of China."

It would also appear that the Russians kept up their deliveries of supplies to China, except during the period of the Soviet-Finnish War in 1939–40. After the conclusion of their neutrality pact with Japan in April 1941, they made it clear that they did not regard the agreement as affecting their relations with China.

Nevertheless, a subtle change in relations gradually took place. One factor influencing Soviet-Chinese affairs was the Soviet Union's involvement in war with Germany in June 1941. This probably made it impossible for Moscow to deliver supplies on the same scale as before. No figures are available, but by 1942 very little was coming through over the Northwest Highway between the two countries, and in 1943 and 1944 this trickle probably diminished almost to the vanishing point. A second factor was the internal situation in China, marked as it was by growing hostility between Chungking and the Chinese Communists. This development had repercussions in foreign affairs, for the Chungking Government became deeply suspicious of the U.S.S.R., and the Russians became more cautious toward Chungking. It seems reasonable to assume that the danger of civil war on the part of the Chinese régime against its own guerrillas also influenced the Russian decision to cut down on supplies.

Recent Soviet-Chinese relations have been marked by formal correctness, but Russophobia has been so widely cherished by official Chungking circles as to amaze and startle American visitors, in whose own country hostility toward the U.S.S.R. has slowly diminished under the influence of military partnership. Chungking's fear of the Russians has exceeded hostility

[2] *Ibid.*, p. 271.

toward the British. In 1944 few developments alarmed the Chinese Government so much as Soviet progress against the Nazi armies in the West. Chungking was afraid of the influence of a strong U.S.S.R. on Chinese politics and of the possibility that the Russians might enter the Far Eastern War.

Since feelings of this sort could not very well be aired in public, the investigator who sought an answer to the question, "Why does the Chinese Government fear Russia?" was usually referred to territorial questions. The Russians, it was said, might be planning to take over Manchuria after Japan was defeated, or to retain their special position in the northwestern province of Sinkiang. They might also refuse to see Outer Mongolia return to Chinese sovereignty. Chiang Kai-shek mentioned these issues in general terms, when he declared in *China's Destiny:* [3]

"Chinese-Soviet frontier problems have not been settled completely as yet. Now all the nations allied against aggression are one after another giving up their special rights in our country. So in view of the traditionally friendly relations between China and the Soviet Union, all problems between the two countries will naturally reach a just and fair settlement."

There is no doubt that the Soviet-Chinese frontier could become one of the world's great danger zones, but there is not much to go on in speculating about the future. As far as Manchuria is concerned, Japan has given the Russians good reason to be deeply interested in what happens to the territory. But Moscow has not suggested in word or action that it wishes to take Manchuria over. In fact, it seems likely that before pledging the return of Manchuria to China at the Cairo conference, Britain and the United States had already sounded out the Russians on the question. On the other hand, the U.S.S.R. is nothing if not realistic. In the Far East, as in Europe, Moscow presumably will want on its borders friendly states, orderly within and peaceful without.

If China were split by Kuomintang-Communist civil war,

[3] Chiang Kai-shek, *Chung Kuo Chih Ming Yün* (Chungking, Cheng Chung Shu Chü, 1943), pp. 121–2.

the Eighteenth Group Army might control Manchuria because it has developed guerrilla resistance in that territory. Manchuria would then have a Chinese administration, but not an administration subject to Chungking. It must also be borne in mind that, if the Russians enter the war in Asia and help to liberate Manchuria from the Japanese, they presumably will reach working agreements with local Chinese forces, i.e. the Communist guerrillas. In that event the Eighteenth Group Army would be greatly strengthened. One must conclude that the Russians, no matter how scrupulously they observe Chinese sovereignty in Manchuria, will inevitably have a powerful influence in shaping the future of that region.

Outer Mongolia, another area that may produce conflict, has a 90 per cent non-Chinese population, but was once under Chinese control. The Russians have not questioned China's theoretical sovereignty. What has been in doubt is China's ability to defend the territory or to establish a stable, enlightened administration, for Outer Mongolia is remote from the centres of Chinese power, and Chinese rule there traditionally involved oppression of the native population. When the U.S.S.R. sent troops into Outer Mongolia after World War I, that territory had already been the scene of military operations by a corrupt Chinese war-lord and a White Russian adventurer who was an agent of Japan. At present Outer Mongolia is known as a "People's Republic," and while not formally part of the U.S.S.R., is closely linked with it economically, politically, and by a military alliance. According to Owen Lattimore, the leading American authority on Mongolian affairs, "Soviet policy has indisputably used the power thus accruing to it in the interests of the Mongol people as a whole." The people of the area, he says, "now have, under the Mongol People's Republic, the most popular and representative government they have ever had and a rising standard of living shared equally throughout the country." [4] There is

[4] Owen Lattimore, *Inner Asian Frontiers of China* (New York, American Geographical Society, 1940), p. 199.

every reason to doubt that the Outer Mongolian population would benefit from coming under Chinese rule at present. This does not exclude the possibility of fruitful, close relations between Outer Mongolia and a progressive post-war China.

The only border question concerning which there have been any recent developments is that of Sinkiang, a province which has been Chinese territory since about 1760, but was governed until 1942 by autonomous local Chinese officials. About nine-tenths of the estimated two and a half million people living in this vast area are non-Chinese and do not speak Chinese. In 1934 the Russians supported the forces of General Sheng Shih-tsai, and helped him to win out in a military struggle then going on in the province. Moscow appears to have been motivated chiefly by fear that Sinkiang would fall to Japan. Since the Chinese Government at Nanking was then too weak to administer the province or guarantee that the Japanese would not come in, the Russians entered. Subsequently, Russian garrisons were stationed in Sinkiang, and the U.S.S.R. helped to build roads, develop irrigation, train a provincial army and police force, and bring about the general reconstruction of the province. There is little doubt that the Russian relationship — which was entirely natural in view of Sinkiang's closeness geographically and economically to Soviet territory and the vast distance between Sinkiang and Central Chinese areas — was beneficial to the region. Moreover, despite frequent sensational stories about Russian domination, it is now clear that the Soviets did not take over complete power. After visiting Sinkiang in 1943, *Time* correspondent Theodore H. White expressed the following opinion: [5]

"Russian influence was vast and powerful. Yet never was it so great as the outside world believed. Always, Sheng kept sovereignty; never did he wholly relinquish the internal administration."

[5] *Time* (New York), October 25, 1943, p. 28.

In 1942 Sheng, probably expecting Stalingrad to fall, decided to establish closer relations with the Central Government. Friction developed between Sheng and the U.S.S.R., and at Chungking's demand the Russians withdrew. They took with them their oil-drilling and -refining machinery, automobiles, spare tires, generators, furniture, household goods, mining equipment, and an aircraft assembly plant. The Soviet trading agency was closed down, and garrison troops were recalled. The Russians seem almost to have removed every nail and bolt they ever brought into the province. Superficially the effect was to establish national authority in Sinkiang and extend Chungking's political power.

But Sinkiang was much poorer when the Russians departed, for the Central régime, far off and beset by its own problems, was in no position to replace the facilities that Moscow had withdrawn. Besides, the Soviet action was a clear indication of the U.S.S.R.'s unwillingness to send supplies to China, for much of the equipment taken out of Sinkiang had been valuable in the operation of the North-west Highway passing through the province between Soviet Turkestan and China. It is true that at the time the Russians were waging the Battle of Stalingrad, and were not in a position to send much aid to China. But it seems doubtful that they would have taken the drastic measures they did if it had not been for the bad state of their relations with China, their low opinion of Chungking's conduct of the war effort, and the fear that military aid might be used to prosecute civil war.

In any event, rarely has a government won so Pyrrhic a victory as did Chungking in Sinkiang. It took over the shell of a province and forced out the Russians at great cost to itself and the local population. Subsequently, relations with Russia grew worse. In April 1944, the official Soviet news agency, Tass, published a statement about alleged Chinese attacks on Kazakhs (a local nomad people) fleeing into Outer Mongolia from Sinkiang. The report said that Outer Mongolia's borders had been violated and suggested that the Kazakhs

were fleeing from oppression. Chungking denied that the violation had occurred.

Territorial issues involving sparsely populated, remote areas like Sinkiang and Outer Mongolia reflect deeper disagreement elsewhere. The root of disagreement probably lies in two simple facts: Chungking fears that the Soviet Union will aid the Chinese Communists, and the Soviet Union dislikes the policies of the Chinese régime. At no time has Chungking suggested that the Russians have sent supplies to the Communists, nor have the Soviet Government and press ever shown anything but friendliness for the cause of China's resistance to Japan. But Soviet writers have more than once voiced strong disapproval of Chungking's internal practices. Reference has already been made to an article of August 1943 in *War and the Working Class*.[6] Another article printed by the same publication early in June 1944 criticized Chungking for attributing its military setbacks to economic difficulties, shortage of arms, and lack of outside military aid. "It hits the eye," the writer declared, "that, in spite of numerous plans, very little is being done in China to build a military and industrial foundation." [7] The article went on to express the view that "England and especially the United States are rendering China all possible military and economic help in the difficult blockade conditions." An attack was made on "feudal survivals" in the Chinese Army as well as on the use of Central troops to blockade the North-west. Again in July 1944, *War and the Working Class* warned that China needs "a decisive severing with the reactionary elements." The article spoke of the danger of Japanese consolidation on the continent of Asia.[8]

These statements do not differ from many published in the United States, nor do they seem to go counter to the views of the United States Government on conditions in China. In both Moscow and Washington there is a keen awareness of the

[6] See p. 100.
[7] *New York Times*, June 5, 1944.
[8] *Ibid.*, July 19, 1944.

internal shortcomings of China's war effort, the need for greater unity, and the seriousness of the military problems raised by China's weaknesses. If the Russians at some point participate in the war with Japan, it will become clear that their concern over Chinese conditions has not been simply an ideological one, but has been linked with their desire to bring about Japan's defeat. On the other hand, while American and Soviet policies are similar in their critical approach to Chinese internal affairs and their sympathetic attitude toward Chinese resistance, the United States follows a policy of support for Chungking that is not paralleled in the U.S.S.R.

As we have already noted, the Chinese Government has been worried over the possibility that the Soviet Union will enter the Far Eastern War, linking up territorially with the Chinese Communists by moving through Manchuria and Mongolia. The situation is paradoxical in the extreme, but reflects Chungking's fear that it could not control the political forces that would be unleashed by Russian entry into the war with Japan. If the Chinese Government had a firm united front with the Communists and other political elements, if its economy and military organization were running as efficiently as war conditions permit, if it were practising democratic or semi-democratic government, it would be in a position to welcome Soviet military participation. For its prestige among the Chinese people would be unassailable.

Unfortunately a different situation exists. Chungking is running an inefficient, reactionary, undemocratic régime whose prestige among the people recently has diminished in unmistakable fashion. There is great discontent in China, as well as widespread military ineffectiveness. As long as these conditions are open to improvement, the Big Three have a good basis for working together, since they have a common interest in a peaceful, satisfactory settlement. But if matters should reach the point of civil war, an intolerable strain might be placed on the United Nations partnership. Then, it would not be a matter of Moscow and Washington trying to patch

things up, but of both capitals, as well as London, deciding which side to support in the Chinese internal struggle.

It is apparent, then, that Chinese internal conditions hold the key to Chinese-Soviet relations. An editorial in *Life* magazine has put the matter very simply: [9]

> ". . . if China's government should become a fascistic, power-hungry, repressive, landlords'-and-usurers' government, it is all too likely to get into trouble with Russia; whereas a government which stands for freedom, reform and international cooperation is not. Under no circumstances would the American people ever wish to be embroiled with the Soviet Union in a struggle in which they would feel politically on the wrong side."

It is not an accident that those elements in Central territory which have been pressing most actively for more democracy have also urged an improvement in relations with the U.S.S.R. This is especially true of Sun Fo, who is a firm supporter of Chinese-Soviet friendship.

As a result of these internal demands, strong pressure by the United States, and awareness of the issues that might arise if the Russians should enter the war under existing conditions, the Chinese Government has sought to erase some of the hostility existing between itself and Moscow. In the summer of 1944, for example, the controlled Chinese press began to praise the Russians and to devote quite a bit of space to Soviet military gains in the West. At the end of August Chungking announced the resignation of Sheng Shih-tsai, Governor of Sinkiang, who had won the bitter enmity of the Russians as a result of his policies in the previous two and a half years. There is good reason to believe that Sheng was not forced out because of this situation, but that Chungking simply found in his anti-Soviet attitude a convenient weapon to use against him. Publicly, however, Chungking chose to suggest that his resignation was designed to improve relations with the U.S.S.R.

[9] "News From China," *Life* (New York), May 1, 1944, p. 28.

In an address to the People's Political Council on September 16, 1944, Chiang Kai-shek declared that China had been doing its best since the Cairo and Teheran conferences to develop closer Chinese-Soviet relations. He said it was hoped matters would improve, now that the government had removed what had been regarded as obstacles to closer friendship. This was presumably a reference to Sheng's resignation. The Council itself passed a resolution urging greater amity and proposing that a people's good will mission be sent from China to the U.S.S.R.

But it is obvious that a formal improvement on the diplomatic level, while useful, represents only a first step in dealing with the Chinese-Soviet problem. For Soviet policy, it should hardly be necessary to say, is shaped by highly practical conceptions of national interest. Relations have not been strained simply because of Sheng Shih-tsai, nor can they be improved fundamentally by friendly press comment or the sending of a mission, desirable though these steps are. The present state of hostility on the part of Chungking merely reflects conditions of disunity in China. A Chinese régime functioning more efficiently and with greater unity will have a sound domestic base and will not need to express internal differences in the form of hostility toward an ally.

IV

ACROSS THE PACIFIC

". . . anyone who has read some history is aware that the attitude of the United States toward China has always been changing according to the conditions of China's internal affairs in past years. The first United States Minister to China, who was most friendly to her, wrote of the excellent administration of the Manchus in the last years of the régime, in order to get the sympathy of the American people. But Theodore Roosevelt, knowing of the corruption of the Manchus, felt the utmost contempt for China and became friendly to Japan. . . . At a time when we expect to receive great material and technical assistance from the United States and when we are building a really modernized nation, we ought to take accurate stock of ourselves."

PROFESSOR HO PING-TI, writing in the Chinese Army newspaper, *Sao Tang Pao,* July 11, 1944.

TRADITIONALLY the United States and China have been on relatively close terms, because in the maelstrom of Far Eastern international relations this country has seemed to ask least from the Chinese. The reason, it need hardly be said, does not lie in the inherent goodness of Americans, but in the nature of this country's interests and national development. For the United States found at an early date that its international economic position was best served by helping to establish a united, sovereign China rather than by competing in a division of the Chinese spoils. This material consideration has been reinforced by the American missionary interest in China, as well as by the tendency of Americans, remembering their own history, to favour the independence of other peoples. On the opposite side of the ledger many American actions in the past century have been contrary to this policy, and have involved the use of force in China or the

adoption of an unsympathetic attitude. Nevertheless, the spirit of friendliness has been a strong one.

After Chinese resistance was launched in 1937, the United States followed a short-sighted, contradictory policy toward the warring nations in the Orient. There never was any question about the genuine sympathy of the great mass of Americans for the Chinese cause, or their concern about Japanese expansion. But for a long time the powerful aggressor received more material aid from this country than did his weak victim. For this there were a number of reasons: isolationist sentiment in the United States; the profitability of selling scrap iron, oil, and other commodities to Japan; the possibility that Japan might turn northward against the U.S.S.R.; lack of confidence in the power of China to resist; hope that Japan might be bought off by concessions or undergo a change in government; fear that Japan would invade the Indies if we placed an embargo on oil; and failure to realize the full import of Nazism and Japanese militarism for the world as a whole. These considerations in varying degrees shaped the course taken by the United States. Not least important was the attitude of a large and powerful Congressional bloc that opposed any move toward collective action designed to preserve peace.

At the same time, within the framework fixed by these influences the United States continued to express its traditional policy toward China. The diplomatic record was always kept clear — a verbal course that unquestionably had a beneficial effect on Chinese morale, especially when it was accompanied by material aid. It is a significant fact that the United States Treasury's silver purchase policy enabled China to secure large amounts of dollar exchange preceding the war with Japan and in the early years of the conflict. Perhaps equally important was the extension of several American commodity loans to China, particularly at crucial phases of Chinese resistance. For example, China received a U.S. $25,000,000 American credit at the time of Wang Ching-wei's desertion in December

1938, another of U.S. $20,000,000 when he established his puppet régime in March 1940, and two loans of U.S. $50,000,000 each near the end of 1940, when Japan recognized his "government." Another of U.S. $25,000,000 had been given in September 1940. In May 1941 China became eligible for lend-lease aid, and in the summer of that year an American military mission was sent to Chungking to discuss lend-lease plans. At the same time the United States Government facilitated the organization of the "Flying Tigers" under Colonel — later General — Claire L. Chennault.

Yet, it was not until the Japanese attack on Pearl Harbor forced an end to all discussions with Tokyo that the United States and China became full-fledged allies. There is no mistaking the fact that, despite our sympathy for China, it was fear of Japanese aggression and Japan's concrete actions against American interests that moved the United States Government to oppose Tokyo in the decade before Pearl Harbor. Friendliness toward China was genuine, but was rarely, if ever, the galvanizing force in shaping policy. America and China were joined by something more effective than sympathy, i.e., by the common necessity of defeating an aggressor who had attacked both of them.

Since Pearl Harbor the United States has followed a twofold course toward China. First in time and emphasis came the policy of supporting Chungking and seeking to bolster its prestige and powers of resistance. Secondly, and more recently, Washington has attempted to exert a beneficial influence on Chinese internal conditions, so that Chungking may become the leader of a better-organized war effort. These two lines of action now constitute a single, simultaneous American approach to China's rôle in the war and post-war periods.

Support of Chungking has involved the extension of military aid — indirectly, in the form of American operations in the Pacific and Burma, and directly through the delivery of American supplies to China, as well as the activities of American aviators on the China front. However, because of the

stringent Japanese blockade, materials brought in by air from India have been extremely small in relation to Chungking's needs, despite extremely energetic American efforts to step up deliveries. It is also true that a good part of these supplies goes to the Fourteenth United States Army Air Force under General Chennault, and to the B-29s in West China, and that comparatively little is received by the Chinese armies. But the aid to the air forces is of considerable value to the Chinese troops, since it provides them with air protection. During the Japanese campaigns in Honan, Hunan, and Kwangsi in 1944 the Chinese armies generally had air superiority.

Economically, the United States moved quickly to bolster Chinese resistance as the effects of the Pacific War began to sink in. On February 2, 1942 President Roosevelt asked Congress to authorize a U.S. $500,000,000 loan to China for the strengthening of its economy and war effort. Within less than two weeks the measure was law. The speed of this action indicated America's appreciation of China's importance as an ally. The loan had a valuable effect on Chinese morale at a very trying time.

The relinquishment of extraterritoriality in 1942–3, followed by repeal of the Chinese Exclusion Act in December 1943, also had a beneficial influence on China's spirit of resistance, even though these steps were taken at a rather late date. The dispatch of American experts in agriculture, communications, industry, and other fields to train Chinese students, or to make recommendations for war-time and post-war improvements, was valuable for cultural relations and China's future development. But much more significant was the United States' policy of bolstering China's international position by pressing for the inclusion of Chinese representatives in leading world conferences, such as those at Moscow and Dumbarton Oaks.

Yet Chinese-American relations have been disturbed by important problems. Some of these are purely of a war-time nature and will probably be forgotten after victory; others are

more deep-seated. One transitory problem, for example, has been the appearance of friction between American troops and the local Chinese population. As might be expected, the introduction of American soldiers into a totally alien environment has caused some difficulties, partly economic, partly cultural. Purchase of food for the foreign troops and the construction of airfields in various parts of China have tended to raise inflationary prices to still higher levels and to cause supply shortages — facts which have been exaggerated by some provincial leaders in attacks on the Central Government. American ideas of behaviour toward women, and democratic deportment have also led to some misunderstanding. In one town some American soldiers put a coolie in his own rickshaw, got between the shafts, and began to pull him around the town. To Americans this might seem a harmless, democratic prank, but the coolie's fellow townsmen — accustomed to forced labour and the practice of impressing men into the army — were in an uproar because they thought he was being kidnapped.

It would be unwise to exaggerate these problems, inevitable in any theatre of war where foreign troops are stationed, for the Chinese people have given many evidences of friendliness toward the American soldiers in their midst, and *ting hao* (a Chinese phrase which has been equated with our own O.K.) has become a standard friendly greeting to American army men on the streets and roads of China. Much more serious than any personal friction — because more likely to leave its mark on the post-war period — is the disillusionment with things Chinese experienced by some of our soldiers. The first soldiers who went to China from the United States, in addition to being affected by the excessive sentimentality toward that country characteristic of American feeling in 1942 and 1943, were given little information that would make them aware of the realities of Chinese life or Chungking's war effort.

On the Chinese side there has been great discontent, espe-

cially in official circles, with the small amounts of supplies sent by the United States under lend-lease. Ever since it became clear that a strategy of defeating Germany first had been decided on by the United States and Britain in agreement with the Soviet Union, Chungking has expressed its dissatisfaction with United Nations military plans. This is perhaps understandable, in view of China's desperate position; but it is the function of leadership, in China or anywhere else, to accept what is necessary even when it is distasteful. The strategy of concentrating on Germany before concentrating against Japan was dictated by thoroughly sound considerations; for a dispersal of forces into all theatres of war would have meant weakness in all, while a policy of dealing with Japan first would have thrown us against an enemy far more difficult to come to grips with than Germany, leaving the Nazis free to work their will in the West. There is no space here to go into all the questions involved, but the logical conclusion of a "Japan first" policy would have been a negotiated peace, since it probably would have been impossible in that case to defeat either Germany or Japan.[1]

It was a great error on the part of the Chungking Government to oppose the "Hitler first" strategy, instead of simply asking for the largest possible deliveries of supplies within the framework of that policy. In the United States the effect of China's attitude was to bolster isolationist enemies of the government who cared not a whit for the future of China, but were only too happy to drape themselves in the Chinese flag while attacking the unity of the United Nations. In this connection Mme Chiang Kai-shek's visit — despite, or perhaps because of, the deep impression she made on the American people — had the effect of harassing the administration. It

1 For fuller discussion of the reasons for adopting a "Hitler first" strategy, see the following articles by the author: "Strategy of the War in Asia," *Foreign Policy Reports* (New York, Foreign Policy Association), April 15, 1943, pp. 26–7; and "Japan is Not Stronger than Germany," *Foreign Policy Bulletin* (New York, Foreign Policy Association), January 22, 1943.

should have been possible to state China's needs in such a way as to promote unity rather than lessen it.

In supporting the Chungking régime and promoting its international prestige, the United States has probably been moved, apart from military considerations, by the view that China can serve this country as a valuable future partner in Asia. Certainly co-operation with China could be of enormous importance in promoting American influence in the East and in securing post-war markets for American exports. It might also mean that in the operations of various international bodies, the United States could generally depend on the Chinese vote's being the same as its own, since, as Finance Minister H. H. Kung declared before the United States Senate on August 24, 1944: [2]

"For the Chinese Government and people, I am privileged to say here that in all matters of international cooperation we wholeheartedly support the policies of the United States. . . ."

But the fly in the ointment is that the needs of the United States cannot be met by working together with just any Chinese government.

America's interest in China might be summed up in three phrases: winning the war, developing post-war markets, and preserving the peace. Only a strong, democratic China — not a weak, subservient one — can promote these ends properly. A reactionary Chinese government cannot put forth a maximum effort to defeat Japan or develop internal reforms needed to raise popular purchasing power and create a great Chinese market. And since its policies would result in civil war, or at the least a continuing threat of strife, it could hardly play a useful part in preserving Far Eastern peace and might contribute greatly to the factors making for a third World War.

This presents American policy makers with a serious problem, for — as some writers have pointed out — Chungking is

2 *Congressional Record*, August 24, 1944, p. 7346. Since this statement was made Kung has given up his post as Finance Minister. See p. 108 above.

"our baby." As far back as 1942 the United States was alarmed by the tendency in China toward chauvinism and the centring of power in the military. There was also cause for concern in Chungking's growing inflexibility on domestic policy and the rise of anti-British feeling, which often passed into anti-white and anti-Western feeling. American military men in China were disturbed at the unco-operative attitude of some Chinese military leaders, for example, War Minister Ho Ying-chin, and wondered whether war supplies delivered to Chungking would be used against the Japanese or hoarded for civil war. There was also grave doubt as to the use that might be made of American loans. Would they be employed in a fashion really benefiting the Chinese people, or would they be squandered in ill-planned, ineffective efforts to halt inflation, producing nothing but a large obligation to repay the United States, and increased fortunes in the possession of Chinese officials?

The United States has been hampered in developing a realistic policy toward Chungking by the excessive sentimentality of the American public. For a long time American comment made little or no distinction between the heroism of the Chinese people and the narrow spirit animating some circles in official Chungking. To point to the shortcomings of China's leadership was considered equivalent to being ungrateful to the Chinese people for their sacrifices in the war. Besides, since the Kuomintang-Communist conflict bulked large in Chinese politics criticism of Chungking and praise of the guerrillas seemed to some to be a matter of the United States' coming out in support of Communism.

Actually, what was at stake was the development of a China with which the United States and other members of the United Nations could work both economically and politically, rather than a China which would be an apple of discord among the Allies. While never diminishing its respect for the Chinese cause, the United States has slowly exerted its influence in favour of a forward-looking, soundly established Chinese ré-

gime. As far back as October 12, 1942 Sumner Welles, then Under Secretary of State, declared that the United States "favors 'complete unity' among the Chinese people and all groups or organizations thereof." He stated that "this Government desires Chinese unity and deprecates civil strife in China," which, while "at all times unfortunate, would be especially unfortunate at a time when China is engaged in a desperate struggle of self-defense against an armed invader" [3]

One important consideration has been the American desire not to become embroiled with the Soviet Union over Chinese political issues. For an explosion in China could have repercussions that would make the Polish-Soviet question seem a model of frictionless international relations. The striking feature of the Chinese situation from an American point of view is that the policies of China's Communists — a group toward which American policy would not ordinarily be drawn — point toward a progressive China with which this country could work in harmony, while the Chungking Government has tended to move in an unsatisfactory direction. In short, the Nationalist Party — the Kuomintang — is not fulfilling the function of leading the Chinese nation envisioned for it by Sun Yat-sen.

These were among the important factors behind former Vice President Wallace's mission to China in June and July 1944. Wallace had many objectives, some secret, but his public utterances left no doubt as to America's concern about Chinese internal conditions and China's relations with the U.S.S.R. When he landed at the Chungking airfield on June 20, he distributed a prepared statement expressing the belief that the Chinese-Siberian frontier would be one of friendship, like that between Canada and the United States. Four days later a joint Chinese-American press release, summarizing his talks with Chiang Kai-shek, declared: [4]

[3] *Amerasia* (New York), November 1943, pp. 419, 420.
[4] *New York Times*, June 25, 1944.

"Cognizance was taken of the cornerstone position of China in Asia and of the importance of China in any structure for peace in the Pacific area. It was assumed as axiomatic that essential to such a peace structure would be continuation of the ties of friendship that have characterized American-Chinese relations for over a century, and the maintenance of relations on a basis of mutual understanding between China and the Soviet Union — China's nearest great neighbor — as well as between China and her other neighbors. No balance of power arrangement would serve the ends of peace."

Especially significant was the coupling of Chinese-American and Chinese-Soviet relations as equally important and the plain suggestion that the United States had no desire to engage in a balance of power struggle with the U.S.S.R. over China.

When Wallace returned to the United States, he delivered an address at Seattle on July 9, in which he stated quite frankly: [5]

". . . to modernize her industry and train her people China needs help. We have thousands of technical and business men in the United States who are able to furnish that help. But the business men in particular want to be sure of one thing. They want to be certain, before they lay the foundations and make the necessary outlay, that there is no foreseeable likelihood of conflict within China or between China and the U. S. S. R."

The policy of pressing Chungking for changes in policy entered a new phase in July 1944, when an American military mission was sent to Yenan, capital of the Communist areas. For a long time the United States had desired that the blockade against the Northwest be lifted and had wished to establish direct contact with the guerrilla regions. But Chungking had rejected both proposals. Now the latter purpose was being achieved. A Chinese Government spokesman announced on August 2 that United States military observers were *en route* to various points in the Communist areas, to collect aeronautical and weather data, to help American airmen forced down there, and to promote closer co-operation

[5] *New York Herald Tribune,* July 10, 1944.

between American air units and Chinese ground forces. The Vice Minister of Foreign Affairs, Dr. K. C. Wu, told reporters that the question of air bases in Communist territory had not been discussed and he did not know what his government's attitude would be. There was no doubt, however, that American military men in China had long wanted such bases. The attitude of United States army men toward the Chinese guerrillas was suggested in the statement made by Colonel Davis Barrett, head of the military mission, after he arrived in Yenan: [6] "We have come here to study how these people have been able to keep the superiorly armed Japs in North China at bay for seven years."

The twofold American approach of supporting the National Government while seeking to change it was displayed again in September 1944, when Donald M. Nelson, then Chairman of the War Production Board, and Major General Patrick J. Hurley, arrived in Chungking for talks with top Chinese officials, including the Generalissimo. Apparently, it was one of Nelson's tasks to make recommendations for increasing China's industrial output, while Hurley was concerned with China's military effectiveness. After returning to the United States, Nelson made a second trip to Chungking in November with a staff of experts on steel and alcohol production. His purpose was to help a Chinese War Production Board function effectively.

Meanwhile the difficulties in American-Chinese relations had come into the open, following the announcement, late in October, that at the Generalissimo's request, General Joseph W. Stilwell — Chiang's Chief of Staff, deputy to Lord Louis Mountbatten, and commander in the China-Burma-India theatre — had been recalled to this country. It was obvious from President Roosevelt's high praise of Stilwell at a press conference on October 31, and from the War Department censorship's clearance of newspaper accounts highly critical of the Chungking Government, that Stilwell had been relieved of

[6] *Ibid.*, August 22, 1944.

his posts against Washington's desire and only at the Generalissimo's demand.

Possibly for diplomatic reasons and to avoid injecting a new issue into the final week of the 1944 election campaign, the President declared that the incident had been purely the result of personal differences between Stilwell and the Generalissimo. But when a reporter asked him for information about the background of the affair, he said he thought the newspapermen all had the story. In this way he seemed to give support to articles by Brooks Atkinson, Darrell Berrigan, and other correspondents lately returned from China, who had attributed Stilwell's recall to Chiang's unwillingness to carry through military and political reforms that were being pressed upon him by the United States.*

According to these reports, Washington had requested of Chiang that he place Stilwell in tactical command of all forces in China, patch up relations with the Communists so that their armies might operate in unity with the Central forces, and initiate a thoroughgoing military reorganization in China. Apparently another key issue had been that of supply distribution, for all American lend-lease materials entering China had gone to General Stilwell, and had been allocated by him. This reflected the view of the United States Army and Government that Chungking could not be trusted to distribute supplies properly for use against Japan, but might hoard them for future civil war against the Communists.

As excitement died down over the recall of Stilwell and the almost simultaneous resignation of Ambassador Clarence E. Gauss, it became apparent that the United States was continuing its policy of seeking to work with the Chungking Government and at the same time bring about changes within it. Donald M. Nelson's return to China fitted in with this policy. So did the statement of Major General Albert C. Wedemeyer,

* For a later account, emphasizing the link between military conditions in China and Stilwell's recall, see Samuel Lubell, "Vinegar Joe and the Reluctant Dragon," *Saturday Evening Post* (Philadelphia), February 24, 1945.

Stilwell's successor as Chiang Kai-shek's Chief of Staff. When asked by a newspaperman on November 16, 1944 how much help Chinese troops would be in the concluding phases of the war if Chungking did not compromise with the Communists, he declared: [7] "It is a basic premise that unity in war is essential to fight effectively."

There was some question, however, as to whether America's twofold policy could survive the storms of China's growing political and military crisis. For a situation might arise in which most of China's military and political power would lie elsewhere than in Chungking. Would the United States then work equally with all resisting elements, in accordance with their military effectiveness, while attempting to bring them together under Chungking's aegis? Or would it be willing, if necessary, to back some new centre of political power, including the Communists, autonomous local leaders, and progressive elements in Chungking? These suggestions are all highly speculative, and the conditions about which they revolve may not come to pass, or may express themselves in ways now unthought of. But American policy must be prepared for such possibilities.

[7] *New York Times,* November 17, 1944.

After Chen Cheng became Minister of War and other personnel changes took place in Chungking, American-Chinese relations improved. On December 15, 1944 Major General Patrick J. Hurley, newly-appointed American Ambassador, declared that the recent shifts in the Chinese Government had been "intended for more cooperation and efficiency" and "in a large measure were responsible for putting the National Government, the United States military mission and this Embassy in one team." (*New York Times,* December 16, 1944). Yet, while various measures announced by Chungking and Washington had the effect of reducing immediate friction, little, if anything, was accomplished in dealing with the fundamental problem of Chinese unity. Nevertheless the United States did not give up its efforts in this direction. On January 23, 1945 Under Secretary of State Joseph C. Grew told reporters, with reference to the question of a Kuomintang-Communist accord: "It would be very gratifying to us to learn of the consummation of such an agreement. We earnestly desire the development of a strong and united China. To that end this Government has been lending its best efforts to be of service in appropriate ways, such as through the exercise of friendly good offices when requested by the Chinese, through direct military assistance in the prosecution of the war against Japan, and through assisting China's economy to survive the strain of war." (*Ibid.,* January 24, 1945.)

The main point to be remembered above all transitory developments — and it is a point worth repeating — is that only a progressive China working in harmony with its Allies in war and peace can serve the interests of this country. At present American policy is working in this direction, for Washington recognizes the community of interest between itself and the democratic forces in China. At the same time it is evident that problems of policy toward China will not necessarily work themselves out smoothly. There is dynamite in Chinese politics, and we may have to make at short notice many crucial decisions, affecting our relations not only with China, but also with the Soviet Union. It will therefore be necessary for the United States to be ready to implement or modify its policies rapidly. The greater our flexibility, the greater will be our ability to promote progressive trends in war-time and post-war China.

INDEX

Adams, George E., on Kwangtung famine, 195
Agrarian system, *see* Landlords, Peasants
All-China Federation of National Salvation Unions, 18
Armies, Central, 115–38; and politics, 32, 40, 68; H. W. Baldwin on, 99, 131, 137; Communist view on high command, 106–7; friction with Communists, 107, 110, 148, 150–4; Chen Cheng, War Minister, 108; prospects for 1945, 112; effectiveness, 115 ff., 155–6; strategy, 117, 134–5; U.S. training, 119, 121; defeats, 1944, 119–20, 122–3; supply problems, 121, 128; soldiers, 124–30; plan to reduce size, 127; sickness, 128; leadership, 131, 136–7; anti-Japanese spirit, 131; history, 132–3; on eve of war, 133–4; size, 133, 135–6; inflation and, 136, 160; need for modernization, 138; compared with Communist forces, 140; and tax in kind, 178; U.S. seeks reorganization, 256–7
Armies, Communist, *see* Communists
Atkinson, Brooks, on: coalition government, 25; Kweilin politics, 37; Chinese production, 188; Yenan conditions, 210; recall of Stilwell, 257

Baker, John Earl, on war and peasant living standards, 163
Baldwin, Hanson W., views circulated in China, 137; on: army conditions, 99, 131; Japan's military position in China, 115
Barrett, Davis, on Communist troops, 256
Berrigan, Darrell, on recall of Stilwell, 257
Bethune Memorial International Peace Hospital, receives U.S. supplies, 204
Bisson, T. A., on situation in China, 99
Blockade of China, *see* Supply problem
Blockade of Communist areas, *see* Shensi-Kansu-Ninghsia Border Region
Britain, *see* Great Britain
Brondgeest, C., on cloth production in Shensi-Kansu-Ninghsia Border Region, 211
Buck, John Lossing, on inflation, 205
Buck, Pearl S., on: civil liberties in China, 99, 200; division between Eighth Route and Central Armies, 148
Burma campaign, 1943–4: Chinese rôle in, 119, 121, 137
Burma Road: closing, effects of, 166–8, 172; capacity, 170–1

Cairo Conference, Chinese politics and, 101; return of Chinese territories pledged, 220–2, 238
Carlson, Evans F., on: officers, Central Army, 136; leaders, Eighth Route Army, 146; trade with occupied areas, 169; uses guerrilla experience on Guadalcanal, 146;

uses slogan of co-operatives for Marine Raiders, 191
C. C. Clique, 39–41; opposition to within Kuomintang, 45
Censorship, tightened after 1939, 28; relaxation promised, 66; in 1944, 107; affects reports on economic conditions, 159
Central Government, *see* Government, Central
Central Political Institute, trains future Kuomintang leaders, 40
Chang, Carson, leader of National Socialist Party, 69
Chang Chih-chung, negotiates with Communists, 102, 107; reports to People's Political Council on negotiations, 104–5
Chang, H. H., on Chiang Kai-shek, 47
Chang Hsueh-liang, and Sian Incident, 20–1
Chang Kia-ngau, and Political Science Clique, 41
Chang Lan, on constitutional government, 72
Chao Chan-kwei, "labour hero" of Shensi-Kansu-Ninghsia Border Region, 88
Chen Cheng, 38, 45, 56, 138, 258; opposes civil war, 40, 100, 137; supports military reform, 40, 108, 123, 127, 137; background and war activities, 137
Chen Chi-mei, early friend of Chiang Kai-shek, 55
Chen Chi-tang, and Kwangtung-Kwangsi movement, 1936: 18–19
Chen Kuo-fu, rôle in Kuomintang, 38–40, 55–6, 108
Chen Li-fu, rôle in Kuomintang, 36, 38–9, 43, 55–6, 108
Chennault, Claire L., 248–9
Chiang Ching-kuo, on village conditions, 6–7; reforms in southern Kiangsi, 78
Chiang Kai-shek, 47–57; leads Northern Expedition, 13, 124; breaks with Left, 1927, 13; attitude toward resistance, 17, 27, 48, 59; Communist attitude toward, 18, 21, 94, 107–8; and Sian Incident, 20–1; attitude toward Communists, 20, 23–4, 51–2, 98, 100–2, 105, 107–10, 141, 148–9, 152; as a national leader, 21, 47–8, 54–7, 67; offices and influence, 32, 34, 36, 43, 54–5, 109, 178, 226; and Chen Kuo-fu, 39, 55–6; background, 47, 133; character, 48–9, 54; Willkie on, 49, 50; and Mme Chiang, 49; political philosophy, 49–57; attitude toward liberalism, 51–2; on "unequal treaties," 52; position in Kuomintang, 55; and Chen Li-fu, 55; and Ho Ying-chin, 55–6; and Wang Ching-wei, 58–63; and constitutional government, 75–6, 111; and army, 126, 133, 137–8; on profiteering, 174; on National General Mobilization Act, 181; at Cairo conference, 220; and foreign powers, 224–6, 229, 232, 236–8, 245; and recall of Stilwell, 256–7; *see also China's Destiny*
Chiang Kai-shek, Mme, visits Sinkiang, 33; and Chinese politics, 49; and refugee children, 204; visits U.S., 1942, 251
Chien, T. S., on Chinese nationalism, 223
China, international position of, 34, 219–59
China Defence League, and Honan famine relief, 197
China's Destiny, 50–51; on: liberalism, 51; Communism, 51, 98, 101; foreigners, 51–2, 224; "unequal treaties," 52; Chinese society, 52–3; Hong Kong and Kowloon, 232; relations with Soviet Union, 238

Chinese Exclusion Act, repeal of, 220, 249
Chinese Industrial Co-operatives, products, 127, 191; and inflation, 191; background, 191; Honan famine relief, 197
Chinese Red Army, origin, 15, 41; operations, 16; reorganized for war with Japan, 22–3; *see also* Eighth Route Army, Eighteenth Group Army
Chinese-Soviet Non-Aggression Pact, 1937, 236
Chinese Soviet Republic, organized, 15; abolished, 23, 91; *see also* Shensi-Kansu-Ninghsia Border Region
Chou En-lai, post in Central Government, 26; negotiations with Chungking, 103–4, 108–11
Chow Fu-hai, on peace with Japan, 61
Chu, C. H., on economic controls, 180
Chu Chia-hua, becomes Minister of Education, 108
Chu Teh, 15, 93; commands Eighth Route Army, 141; pay of, 142
Chungking Government, *see* Government, Central
Church Committee for China Relief, on Kwangtung famine, 195
Churchill, Winston, compared with Chiang Kai-shek, 32, 49; Chinese attitude toward, 228–30; on British empire, 229; on aid to China, 230
C. I. C., *see* Chinese Industrial Co-operatives
Civil liberties, in Program of Resistance and Reconstruction, 26; and secret police, 36; in provinces, 36–7; war-time state of, 30, 65, 80, 107; demand for, 65–8, 104; and constitution, 76–7; habeas corpus, 79–80
Civil War in China, after Revolution of 1911, 13, 132; Kuomintang-Communist, 1927–36, 15–24, 47–8, 82, 133, 141; danger of, 98–102, 104, 152, 225, 237, 238, 243–4, 253; U.S. view on, 254–5, 257
Coalition government, Brooks Atkinson on, 25; need for, 30; Communist views on, 95, 105, 107, 110–12
Commodity Bureau, and secret police, 199
Communists, Chinese, 15–30, 81–112, 139–54, 202–15; origin, 13; united front, 1924–7, 13; suppressed, 1927, 13–14; form Soviets and Red Army, 15, 141; march to North-west, 15–16; and Fukien revolt, 16; strength, 16, 81–2, 94–5, 133, 139–41; urge unity and resistance, 17–18; political program, 18, 22–3, 81–96, 104–7, 110–12, 209; economic conditions and program, 18, 22–3, 81–5, 88, 90–1, 93, 144, 202–15; and Sian Incident, 20–1; unity with Nanking, 1937, 21–4, 134, 141; and Wang Ching-wei, 21, 59–61; relations with Central Government, 25–30, 32, 35–7, 40, 51–2, 66, 73–4, 91, 93–112, 135, 141–2, 148–54, 202–5, 214–15, 243; and "little parties," 67–71, 110; armies, 85, 95, 102–3, 133, 139–54, 243; and Soviet Union, 94–5, 98, 139, 243; *see also* Eighteenth Group Army, New Fourth Army, Shansi-Chahar-Hopei Border Region, Shensi-Kansu-Ninghsia Border Region
Confucius, and Chinese society, 4, 53
Conscription, and Program of Resistance and Reconstruction, 25; improvement demanded, 66, 78; Conscription Law, 125; condi-

tions of, 125; reforms planned, 126; effect on peasantry, 164
Constitution, Chinese: Communist view on, 22; Federation of Chinese Democratic Parties on, 68, 72; steps toward during war, 75–6, 111–12; defects of Draft Constitution, 76–7; and democracy, 77; and Kuomintang-Communist negotiations, 103, 105, 111–12
Coolies, *see* Workers
Co-operatives, in Program of Resistance and Reconstruction, 26; in guerrilla areas, 212; *see also* Chinese Industrial Co-operatives
Correspondents, trip to Yenan: arranged, 103; further visits prohibited, 107
Corruption, in Chungking, 41; in guerrilla areas, 96, 214; and conscription, 125; among Central Army officers, 136; among Japanese officials in China, 168; and land tax in kind, 181
Currency system, reorganized in 1935, 228

Democracy in China, 3–10; background, 3–10; democratic tendencies, 9, 130; need for, 9–10, 25, 56–7, 78, 97, 179, 252; and Communists, 22–3, 83–9, 92, 103–4; and Central Government, 3, 14, 25–30, 39–46, 56, 65–6, 68–80, 96, 111–12, 199–201, 243; and Chiang Kai-shek, 3, 49–50, 56–7; liberals, 65–71, 199–201; and foreign relations, 225–6, 243, 252, 259
Drama, in guerrilla areas, 89, 144
Dumbarton Oaks conference, and China, 35, 220–1, 249

Economic conditions, disrupted by Japanese attacks, 118, 167, 174, 195
Economic development, China: decentralized economy under Manchus, 4; and World War I, 13; during 1935–7, 15; *see also* Economic policy
Economic policy, control measures, 174, 180–5; ineffectiveness, 175–6, 182; and politics, 179; Willkie on, 184; and industrialists, 186, 189–93; in Communist areas, 202–15; *see also* Inflation, Note issue, Prices, Taxes
Eden, Anthony, on China's rôle in war, 230
Education, in Shensi-Kansu-Ninghsia Border Region, 83–4, 88–9; illiteracy in China, 84, 128; inflation, effects on schools, 161; illiteracy and economic control, 183; policy of Ministry of, 39–40, 43, 161, 199; and guerrilla reforms, 207
Eighteenth Group Army, size, 105, 140; effectiveness, 139–41; area, 139–40; history, 141; Central aid, 142; equipment, 142–3; guerrilla program, 143 ff.; recruiting, 143; educational activity, 143–4, 146; and peasants, 129, 144–5; organization of, 145–6; officers, 146; tactics, 146–7; blockaded, 202 ff.; *see also* Communists; Eighth Route Army; Red Army, Chinese; Shensi-Kansu-Ninghsia Border Region
Eighth Route Army, organized, 22, 25; at Pinghsingkuan, 117; *see also* Eighteenth Group Army
Emperor, Chinese: *see* Empire, Chinese
Empire, Chinese: society of, 4–5; rôle of Confucius, 4, 53; political philosophy, 4, 8, 53; overthrow, 12, 52; rural uprisings, 90, 124; armies, 132; U.S. attitude toward Manchus, 246

Exchange rate, of Chinese and U.S. dollars, 197
Extraterritoriality, 219–20, 232, 249

Famine, 194–8; and uprising in Honan, 122, 198; extent of in China, 194; in Kwangtung, 194–5; causes, 195–6; in Honan, 196–8
Federation of Chinese Democratic Parties, on need for democracy, 65; composition of, 67; in People's Political Council, 67; history, 67–8; program, 68–9; and constitution, 68, 72; manifesto, May 1944, 69; on Kuomintang-Communist differences, 70; appraisal of, 70; influence on Kuomintang liberals, 70; supported by provincial leaders, 70; consulted by Communists, 110; on foreign policy, 219
Feng Yu-hsiang, early opposition to Japan, 16; rôle in Kuomintang, 45, 123; on Honan defeat, 122–3
"Flying Tigers," organization of, 248
Food, war-time supply situation, 174, 177; and transportation, 174; profiteering, 175–6; production in Shensi-Kansu-Ninghsia Border Region, 210–11; *see also* Taxes (land tax in kind) *and* Famine
Forced labour, and peasant outbreaks, 199
Foreign powers and Revolution of 1924–7, 13–14; and Japan during '30's, 223
Foreigners: feeling against, 223–6, 253; Chiang Kai-shek's attitude, 51–2, 224; Anglophobia, 228–9, 233–4; Russophobia, 237–8
Forman, Harrison, on conditions in Shensi-Kansu-Ninghsia Border Region: officials, 81; production, 211; living standards, 211
Formosa, return to China pledged at Cairo, 220–2
France, and extraterritoriality, 219; post-war status compared with China, 221
Freedom of speech, press, assembly, etc., *see* Civil liberties
Fukien revolt, 1933, 16

Gauss, Clarence E., resigns as U.S. Ambassador to China, 257
Generalissimo, *see* Chiang Kai-shek
Germany, seeks to end Sino-Japanese war, 60, 117; military mission in China, 133, 236; loses extraterritoriality, 219; Soviet-German war, effects on China, 168, 237
Gilbert, Rodney, on Japanese strategy in China, 115
Government, Central, 27–37; strength, 27, 31, 33–7, 106; and Wang Ching-wei, 61–3; and People's Political Council, 73–5; *see also various topical headings, e.g.,* Kuomintang, Nanking Government, Taxes
Government, local: under Chinese Empire, 5; present nature, 5–6, 10, 32, 40; in Kiangsi, 6–7; in Kiangsu, 7; effect of war on, 35; Sun Fo on, 44; Federation of Chinese Democratic Parties on, 68; "New District System," 77–8; in Shensi-Kansu-Ninghsia Border Region, 83–4; in Hopei, 84; and guerrilla warfare, 84–5; in Shansi-Chahar-Hopei Border Region, 85–7; Lin Tsu-han on, 104–5; Chou En-lai on, 111
Great Britain, 227–34; at Cairo conference, 101, 220; and Chinese troops in India, 119; prewar appeasement of Japan, 120,

227; war-time relations with China, 170, 220, 227–34; gives up extraterritoriality, 220; aid to China, 227–30
Grew, Joseph C., on unity in China, 258
Guerrillas, Program of Resistance and Reconstruction on, 25; and Kuomintang-Communist negotiations, 103–5; operations, 1944, 111; and Central armies, 117, 139; Chiang on, 135; in Honan famine, 197; *see also* Eighteenth Group Army, New Fourth Army

Habeas corpus, 79–80
Hainan Island, guerrillas on, 82
Hall, Guy Martel, on guerrilla China: economic conditions, 202; blockade of, 203
Han Fu-chu, executed for negligence in defending Shantung, 34
Hauser, Ernest O., on: strength of Chungking Government, 31; rickshaw coolies, 162; peasants, 163
Ho Ping-ti, on U.S. policy toward China, 246
Ho Ying-chin, and resistance to Japan, 17, 40; military posts, 38, 108–9, 112; opposes military reform, 40, 56, 253; Chinese opposition to, 40–1; relations with Chiang, 55; and civil war, 100, 102; and New Fourth Army Incident, 100, 150–2; on blockade of Communists, 102
Hoarding and profiteering, mentioned in Program of Resistance and Reconstruction, 26; lead to inflation, 127, 175; Willkie on, 159; causes of, 166, 168, 175–6; Chiang Kai-shek on, 174; ineffective measures against, 185, 192; and land tax, 178; influence of hoarders, 175–6, 184; effect on production, 186, 189; by businessmen, 190; prevented in guerrilla areas, 205, 214
Honan campaign, 1944: effect on Chungking's power, 33; Communists and, 102–3; Central *débâcle,* 122–3, 198; causes loss of revenue, 177
Honan famine, *see* Famine
Hong Kong, supplies for China, 168; future, 231–3; history, 231–2; value to Britain, 232; *China's Destiny* on, 232
Hsiang Ying, and New Fourth Army Incident, 151
Hsien, see Government, local
Hu Tsung-nan, Whampoa leader, 40; and blockade of Communists, 40, 99, 153, 203
Huangpu Clique, *see* Whampoa Clique
Hurley, Patrick J., military mission to China, 256; on co-operation with Chungking, 258

Imperial China, *see* Empire, Chinese
India, furnishes troops for Burma, 119; British policy in, 228–9; visited by Chiang Kai-shek, 229
Indo-China, railway into China, 167; rice for China, 174–5, 195
Industry in China, and World War I, 13; in interior, 167, 186–93; government ownership, 180, 187, 190–1; private, 186–93; cf. with U.S., 187; output, 187–8, 256; difficulties, 188–93; and inflation, 189–92; taxes on, 189–90; government credits, 191, 193; and economic control, 191–3; Chinese War Production Board, 193, 256; in guerrilla areas, 211–12
Inflation, 159–65; political aspects, 179, 184; and economic controls, 182; measures against, 184–5; and industry, 189–90; in Com-

munist areas, 205; *see also* Armies, Central; Note issue, Peasants, Workers
Intellectuals, affected by inflation, 199–201
Italian air mission to China, 133

Japan, invasion of Manchuria, 15; local resistance to, North China, Shanghai, 16; Chinese press for resistance, 16–19, 134; launches war, 1937, 22; appeasement by powers, 28, 227–8, 247; in Shansi, 34; destruction and brutality in China, 35, 117–18, 195–6, 212–13; China campaign, 1944, 66, 109, 116, 119–20, 122, 198; war in China, 115–22, 128, 135–6, 140–3, 152–6, 167–9, 198–9, 203, 206, 212–14, 220; troops in China, 141, 155; in South-east Asia, 167–8; extraterritoriality, 219; and United States, 227, 247; and Britain, 228–9; and U.S.S.R., 239–40; and Allied war strategy, 251

Kansu, peasant revolt in, 198
Kowloon leased territory, future, 231–3; and extraterritoriality, 232; Chinese attitude on, 232
Ku Chu-tung, and New Fourth Army Incident, 151–2
Kung, H. H., rôle in Kuomintang, 41; posts in government, 39, 108–9; attitude toward U.S. policies, 252
Kuomintang, 38–46; National Salvationists on, 11; origin, 12; liberals in, 16, 44–6, 65, 67; and Central Government, 31–2, 109; nature of, 38–9, 42, 56, 183, 254; cliques, 39–41, 43, 108; peace sentiment in, 58, 99; Wang Ching-wei and, 59, 60, 63; Federation of Chinese Democratic Parties and, 67–71; Program of Resistance and Reconstruction, 72; and People's Political Council, 73–4; in 1924–7, 78, 235–6; in Communist areas, 87; Communists and, 91, 93, 94, 96, 100, 104, 105, 110; and constitutional government, 111–12; *see also* Central Government, Communists
Kwangsi provincial armies, losses in war, 34; political training, 129; military training, 133
Kwangtung International Relief Committee, 195
Kwangtung-Kwangsi movement, 1936, 18–19
Kweichow, peasant revolt in, 198–9

Labour, rise of unions, 13; in Revolution of 1924–7, 13–14; unions under Chungking, 79; unions and economic control, 180
"Labour heroes," in Shensi-Kansu-Ninghsia Border Region, 88
Landowners, power over peasants, 5–7, 96, 164, 184; stake in resistance, 20; influence in Central Government, 27, 126; in Communist areas, 82–3, 87, 90, 96, 206–9, 213; and food situation, 126, 176–7; Sun Fo on, 164; and land tax, 164, 177–9; hoarding, 176, 178–9; become traders, 190
Lattimore, Eleanor, on Chinese agriculture, 53–4
Lattimore, Owen, on: Chinese agriculture, 53–4; New Fourth Army Incident, 152–3; Outer Mongolia, 239
League of Nations, and Japanese aggression, 223
Ledo Road, 112, 171
Lend-lease aid to China, quantities, 121; use, 121, 253, 257; Churchill on, 230–1; Soviet comment on, 242; China eligible for,

248; Chinese dissatisfaction, 251; Stilwell and, 257
Li Chi-shen, member of Federation of Chinese Democratic Parties, 70
Li Tsung-jen, and Kwangtung-Kwangsi movement, 1936, 18–19; war reduces influence, 34
Liang Han-chao, on Chungking-Communist relations, 101–4, 108
Liberals, after Revolution of 1924–7, 14, 38; difficulties in present war, 26–7, 40, 65, 200; Chiang Kai-shek on, 51–2; criticize Chungking, 65 ff.; demands of, 65 ff.; liberal groups, 67 ff.; future, 70–1; *see also* Federation of Chinese Democratic Parties
Lin Sen, President, Central Government, 32
Lin Tsu-han, Chairman, Shensi-Kansu-Ninghsia Border Region, 83; negotiates with Chungking, 102, 107; addresses People's Political Council on negotiations, 104–5
Lindsay, Michael, on guerrilla areas: government, 85–7; Chungking-Communist relations, 96; mass organization, 209; production, 212; taxes, 213; absence of corruption, 214
Lippmann, Walter, on disunity in China, 154
"Little parties," *see* Federation of Chinese Democratic Parties
Liu Kuo-ming, on land tax in kind, 164, 178–9
Liu Sao-chi, on economic program of New Fourth Army, 207–8
Lo Tse-kai, on Eighteenth Group Army, 153
Loans to China, foreign: Britain, 229–30; Soviet Union, 236; United States, 247–9, 253
Lubell, Samuel, on recall of Stilwell, 257
Lung Yun, power in Yunnan, 34; and Federation of Chinese Democratic Parties, 70

Malaya, Chinese interests in, 231
Manchu dynasty, *see* Empire, Chinese
Manchuria, effects of Japanese invasion, 15, 236; Chang Hsueh-liang's Manchurian troops, 20; and Cairo conference, 220–1, 238; future of, 222, 239; Tsarist Russia and, 235; Soviet Union and, 238–9
Manchus, in Shansi-Chahar-Hopei Border Region, 86
Mao Tse-tung, Chairman, Chinese Soviet Republic, 15; on: Chinese revolution, 90; political tolerance, 97; negotiations with Chungking, 110; nature of war of resistance, 206; Communist economic program, 206–7
Mencius, on government, 4
Merchants, stake in resistance, 19–20; in Communist areas, 87, 206; mentioned, Program of Resistance and Reconstruction, 91; profiteering, 174–5, 178, 182, 185; become landowners, 190
Middle class, and inflation, 40, 65, 160–2
Military Affairs Commission, 23; *see also* National Military Commission
Mohammedans, in Shansi-Chahar-Hopei Border Region, 86; *see also* Moslems
Mongols, in guerrilla China, 86–7
Monopolies, official, 180–3; and secret police, 199
Moscow Declaration of October 1943, and China, 220
Moslems, in Shensi-Kansu-Ninghsia Border Administration, 83–4; *see also* Mohammedans

Mowrer, Edgar Ansel, interview with T. V. Soong, 139

Nanking Government, 15–23; strength, 12, 14–15, 35, 132, 228; suppresses opposition after 1927, 14; and provinces, 15, 18–19; and Communists, 15–23, 141; foreign relations, 236, 240
Nanking puppet régime, 60, 63, 248; *see also* Wang Ching-wei
National Association for Refugee Children, aid for orphanage in Shensi-Kansu-Ninghsia area, 204
National Congress, *see* Constitution
National General Mobilization Act, Chiang Kai-shek on, 181
National Military Council, 31; and Communists, 26, 100, 102, 105, 107, 111, 141, 152; and U.S. supplies, 121, 230–1; *see also* Military Affairs Commission
National People's Congress, 22; *see also* Constitution
National Resources Commission, and heavy industry, 187
National Salvationists, urge resistance to Japan, 11, 18; and Kwangtung-Kwangsi movement, 19; seven leaders arrested, 1936, 20; student activities suppressed, 1938, 27; on unity against Japan, 29; in People's Political Council, 67; and Federation of Chinese Democratic Parties, 68; in Shensi-Kansu-Ninghsia Border Region, 83–4
National Socialist Party, Chinese, rôle in politics, 67
Nationalism in China, obstacles to, 12; rise of, 12–13; and foreign powers, 13–14, 223–6, 232–3; produces resistance to Japan, 16–24; during Sino-Japanese war, 223–6
Nationalist Party, *see* Kuomintang
Nelson, Donald M., and American War Production Board, 41; and Chinese production, 193, 256–7
"New Democracy," Communist theory of, 90, 92
"New District System," views of Federation of Chinese Democratic Parties on, 69; nature, 77–8; *see also* Government, local
New Fourth Army, organized, 25, 141–2; and Central Government, 44, 67, 69, 100, 110, 149–53, 203, 205; program, 91, 129, 206–8; operations, 139–47; *see also* Communists, Eighteenth Group Army
North African campaign, 1942–3, effects on supplies for China, 121, 170
Northern Expedition, 1926–7, 13–14, 124
North-west Highway, and supplies for China, 167–8, 237, 241
Note issue, size of, 160, 166, 177; shipments from U.S., 166; in Shensi-Kansu-Ninghsia Border Region, 205

Outer Mongolia, and Tsarist Russia, 235; and Soviet Union, 238–9, 242; situation in, 238–40
Outline of National Resistance and Reconstruction, *see* Program of Resistance and Reconstruction

Pacifism, spirit of in China, 132
Pai Tsung-hsi, and Kwangtung-Kwangsi movement, 1936, 18–19; war-time influence, 34
Paniushkin, Soviet Ambassador to China, quoted on Chinese resistance, 235
Peasants, status in Central areas, 5–7, 27, 164, 184; and Revolution, 1924–7, 13–14, 78; stake in resistance, 20; key importance,

54, 163; Rural Reconstructionists and, 67; outlook of, 78; Communists and, 82, 84, 88–93; and Sino-Japanese war, 121–2, 124–5, 129, 146, 164, 195, 198–9, 212; and inflation, 163, 184; and land tax, 164, 178–9, 181
Peiping Students' Union, and student demonstrations, 1935, 17
Peng Teh-huai, Vice-Commander of Eighth Route Army, 141
People's Congress, *see* Constitution
People's Political Council, local councils, 10, 207; organized, 25–6, 73; "little parties" in, 67, 69; operations, 72–5; and Chungking-Communist negotiations, 74, 102, 104–5; session, September 1944, 74, 107, 126, 245
Pescadores Islands, return to China pledged, 221
Pinghsingkuan, battle of, 117
Pipeline from India to China, 112, 171–2
Political prisoners, 26, 97, 106, 110
Political Science Clique, rôle in Chinese politics, 41
Political tutelage, Kuomintang theory of, 27, 104
Prices, rise of, 159–65, 168, 175, 205; ceilings, 181–2; affected by U.S. Army expenditures, 250; *see also* Inflation
Production in China, plans to increase, 26, 112, 193, 256; in Communist areas, 143, 208, 210–12; Central economic control, 180, 182, 186; decline, 186, 188; and inflation, 189
Profiteering, *see* Hoarding
Program of Resistance and Reconstruction, 1938, nature of, 25–6, 72–3; Federation of Chinese Democratic Parties on, 68; on mass organization, 91
Provinces, military governors, 32; political rôle, 14–15, 33–6, 65–6, 70, 138; autonomous tendencies, 36, 138; troops, 34, 133–4; and land tax, 177; wartime position: Sinkiang, 33–4, 240–2; Szechwan, 33, 134; Shantung, 34; Shansi, 34; Kwangsi, 34, 36–7, 133; Yunnan, 34, 36
Pu Yi, and Chinese politics, 63
Puppets, *see* Nanking puppet régime, Wang Ching-wei

Relief, *see* Famine, Food
Requisitioning of grain, by Chinese armies, 122, 195
Roosevelt, Franklin D., compared with Chiang Kai-shek, 32, 34, 49; at Cairo conference, 220; on Stilwell's recall, 256–7
Roosevelt, Theodore, attitude toward China, 246
Rural Reconstructionists, and Federation of Chinese Democratic Parties, 67
Russia, *see* Soviet Union

Salween River campaign, 119
San Min Chu I, *see* Three Principles of the People
San Min Chu I Youth Corps, 27; Sun Fo on, 43
Secret police, and Tai Li, 36; and Chen Li-fu, 36; Communists on, 110; and schools, 199; and Commodity Bureau, 199
Shanghai, fighting, 1932, 16; 1937, 25, 117, 135, 137
Shansi-Chahar-Hopei Border Region, government, 85–7; prices, 205; mass organizations, 209; economic conditions, 212–14
Sheng Shih-tsai, relations with Central Government and U.S.S.R., 33–4, 240–1, 244–5
Shensi-Kansu-Ninghsia Border Region, population, 82; different from guerrilla areas, 82, 209; government, 82–4, 87; educa-

tion, 83–4, 88–9; "labour heroes," 88; blockaded, 97, 102–3; 109–10, 153–4, 202–5, 210, 242; Central proposals on, 105; aids famine refugees, 197; inflation, 205; economic conditions, 205, 209–11, 214
Shun, legendary Chinese ruler, 8
Sian Incident, 20–1
Soldier, Chinese: Stilwell on, 119; and Burma campaign, 121; spirit, 124; background, 124–5; conscripted, 125; treatment, 125–9; Central regulations on, 125–7; food, 127; clothing, 127; equipment, 128; medical attention, 128; political training, 129–30; foreign respect for, 131; *for guerrilla troops, see* Eighteenth Group Army, New Fourth Army
Soong, T. V., rôle in politics, 38, 41, 45, 109; on Communists, 139–40; on official monopolies, 180
Southeast Asia, Chinese interests in, 231
Soviet-Japanese Neutrality Pact, effects on China, 237
Soviet Union, 235–45; and Revolution, 1924–7, 13–14, 223; and Kuomintang, 13–14, 94, 133, 235–6; Sun Fo on, 44; Third Party on, 67; and Communists, 94–5, 98, 139, 243; concern about China situation, 100, 242; aid to China, 133, 237; North-west Highway, 167–8, 237, 241; Soviet-German war, effects on China, 168, 237; and extraterritoriality, 219, 235; *see also* Foreigners (Russophobia); Manchuria, Outer Mongolia, Sinkiang
Stalin, Joseph, compared with Chiang Kai-shek, 49; message to Chiang Kai-shek, 237
Stein, Guenther, on Chinese Communists, 92
Stilwell, Joseph W., recall, 106–7, 112, 256–7; on Chinese soldier, 119; Stilwell Road, 171
Stilwell Road, *see* Stilwell, Joseph W., *and* Ledo Road
Students, patriotic activity, 1919, 13; suppressed, 1927, 14; urge resistance to Japan, 17–18, 20; war-time difficulties, 27, 40, 43, 160–1, 200; mentioned, Program of Resistance and Reconstruction, 91
Sun Fo, on: *hsien* government, 10, 44; Kuomintang, 14, 28, 38, 43; views of Sun Yat-sen, 14; China's foreign relations, 44, 226; New Fourth Army Incident, 44; popular voice in government, 80; Communists, 140; power of landlords, 164; U.S.S.R., 244; and Federation of Chinese Democratic Parties, 70
Sun Yat-sen, and overthrow of Manchus, 12, 52; Kuomintang, 12–13, 38, 254; Communists, 13; U.S.S.R., 13, 235; death, 13; political views, 14, 27–8, 52, 69, 83; last testament, 21; on: democracy, 3–4, 9; unequal treaties, 52
Sun Yat-sen, Mme, 45; and Kuomintang, 45; and China Defence League, 197; on: democracy, 9–10; war effort, 123; guerrillas, 140
Supply problem, Central, 166–74, 229, 251; Communists, 202–5
Swing, Raymond Gram, on Chinese Communists, 92
Szechwan, peasant revolt in, 198

Tai Li, and secret police, 36
Taierhchwang, battle of, 117
Taiping Rebellion, 90, 124
Tang En-po, and Honan campaign, 198

Tang Lao-mou, example of powerful landowner, 6–7
Taxes: in Communist areas, 144, 205, 213–14; land tax in kind, 164, 177–9, 181–2, 199; income, inheritance, excess profits, 176; tax problem, Central, 176; tobacco revenue, 177; on industry and commerce, 189–90; and Honan famine, 196
Thailand, rice exports to China, 174
Third National Financial Conference, and land tax in kind, 178
Third Party, rôle in Chinese politics, 67, 69
Three Principles of the People, 23, 26, 67, 91, 130
Tibet, supply route to China, 171; and Anglo-Chinese relations, 231
Tibetans, in Shansi-Chahar-Hopei Border Region, 86
"Tiger, The," *see* Tang Lao-mou
Trade, foreign: blockade, effects of, 167–8, 174–5; with U.S.S.R., 236
Trade, with occupied China: Central armies and, 136; Chungking policies, 168–9; guerrilla policies, 203, 214
Traitors, Program of Resistance and Reconstruction on, 25; K. C. Wu on, 64; *Yi Shih Pao* on, 63; Communists on, 106–7; and Kweichow uprising, 199
Transportation, and Central armies, 127, 138; and politics, 138; guerrilla sabotage of Japanese railways, 143; state of, 166–7, 170–4; and famine relief, 175, 196
Tsai Ting-kai, leads Shanghai fighting, 16; in Fukien revolt, 16
Tsarist Russia, and China, 235

"Unequal treaties," Chiang Kai-shek on, 51–2; Sun Yat-sen on, 52; defined, 52, 220; *see also* Extraterritoriality
United National Construction League, rôle in Chinese politics, 67
United States, 246–59; concern about China situation, 3, 44, 66, 100, 106, 131, 154, 159, 169, 242–4, 248 ff.; compared with China, 8, 11–12, 29, 32, 225; and Chinese unity, 95, 100–2, 106, 154, 225–6, 242–4, 248 ff.; at Cairo conference, 101–2, 220–1; Chungking seeks better relations with, 108, 112; and military situation in China (e.g., aid to China), 109, 112, 119–22, 133, 154, 170, 230–1, 242, 248 ff.; benefits from China's war effort, 155–6; and Chinese economy, 184, 197; relief to China, 197; and extraterritoriality, 219–20; backs China in Big Four, 221, 249; war strategy, 224, 241; and Japan, 227–8, 247; policy on China compared with that of U.S.S.R., 242–4; historic China policy, 246–7; loans to China, 247–9, 253; soldiers in China, 250
U.S.S.R., *see* Soviet Union

Vocational Education Group, rôle in Chinese politics, 67
Votaw, Maurice, on Shensi-Kansu-Ninghsia Border Region, 210

Wages, civil servants, 161; school teachers, 161; workers, 161–3
Wallace, Henry A., trip to China, 1944, 106, 254; on Chinese unity and foreign policy, 255
Wang Ching-wei, 58–64; as Foreign Minister, 16; attempt to assassinate, 17; and Communists, 21; gains from New Fourth Army Incident, 152;

U.S. seeks to offset influence, 247–8
Wang Shih-chieh, and Chinese Communists, 102, 107, 109, 111
War Production Board, Chinese, 193
War-lords, and Revolution, 1924–7, 13; resistance to Japan, 22, 133–4; and Chinese armies, 124, 132–3; H. W. Baldwin on, 131
Wedemeyer, Albert C., on Chinese unity, 257–8
Welles, Sumner, on Chinese unity, 254
Whampoa Clique, rôle in Army, 40; in politics, 40, 137
White, Theodore H., on: Kuomintang, 38; trade with occupied China, 136; Communists, 140–1; Central note issue, 177; Sinkiang, 240
Willkie, Wendell, on: Chiang Kai-shek, 49–50; inflation in China, 159; Chinese economy, 184
Wilson, Charles E., and U.S. War Production Board, 41
Women, in Shensi-Kansu-Ninghsia Border Region, 87–9; in Shansi-Chahar-Hopei Border Region, 209
Workers, stake in resistance, 20; and Communists, 82, 88–9, 206–9; mentioned, Program of Resistance and Reconstruction, 91; in army, 124; and inflation, 161–3
World War I, effects on China, 13
World War II, effects on China, 219, 224, 251
Wu, K. C., on air bases in Communist territory, 256
Wu Kai-hsien, and Japanese peace proposals, 99
Wu Man-yu, "labour hero" of Shensi-Kansu-Ninghsia Border Region, 88
Wu Ting-chang, rôle in Chinese politics, 41
Wuhan régime, 1927, 58

Yang Sen, rôle in Chinese politics, 134
Yao, legendary Chinese ruler, 8
Yeh Ting, and New Fourth Army Incident, 151–2
Yen Hsi-shan, loses territory to Japan, 34; economic theories, 34; and Communists, 34, 97, 107
Yenan, destruction by Japan, 212
Young China Party, rôle in Chinese politics, 67, 69
Yui, O. K., Minister of Finance, 108

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